

Accuses Polish workers of trying to overthrow communism

Kremlin served notice yesterday that it would not sanction the historic compromise hammered out between the Polish party leadership and the strikers to settle the crisis, in an ominous warning "Pravda"

today accuses the strikers of attempting to overthrow communism and appears to revive the Brezhnev doctrine. The Gdansk agreement concedes to workers the right to strike and free trade unions.

Ominous sign of Kremlin anger

From Michael Binyon
Moscow, Aug 31
In an extremely ominous sign of Soviet anger over developments in Poland, the "Pravda" newspaper today pointedly ignored Warsaw's settlement of the striking workers' dispute. Instead, it gave a chilling warning that "anti-socialist elements" had infiltrated into the strike leadership and were seeking to damage on "real socialist" in Poland, break the "y" links with the working class and push the country off communist course.

block country where the communist system was deemed to be threatened. The "Pravda" article made no mention of the settlement signed today by the strikers and Polish Government negotiators, which has still not been reported in the Soviet media. Nor did it say anything of the right to strike and set up their own trade unions free of party control.

Both these demands are completely unacceptable to the Soviet leadership, which has always been intensely suspicious of any organisation not under the direct political control of the party. The Russians see any such body as the thin end of the wedge which could be used to prise open the party's monopoly of power.

gave a warning that "anti-socialist elements" had infiltrated into the strike leadership and were seeking to damage on "real socialist" in Poland, break the "y" links with the working class and push the country off communist course.

Also, they do not accept any liberalisation of the press in any Soviet block country, and may well believe that Mr Gierk, like Mr Dubcek, has gone beyond the bounds of what is acceptable in a communist system.

The "Pravda" article, sanctioned by the entire Politburo, may have been prepared in advance of today's settlement, since it gives the impression that the chaos in Poland is still worsening and the strikers, far from calling for a return to work, are still trying to broaden their actions.

Gdansk shipyard strikers win changes from Warsaw

From Jessa Trevisan
Warsaw, Aug 31
Strikers today signed a settlement with the Government providing for sweeping changes in the country's communist system and signalling the end of a summer of labour conflict. The strikers intend to return to work tomorrow.

This was an example, Mr Jagielski said, of how Poles should talk to one another. There were neither winners nor losers, he declared. Mr Walesa signed the official document with a flourish, using an 18-inch bright red ballpoint pen adorned with a picture of the Pope. He also sported a T-shirt.

Emphasising the importance of the independent new unions for Poland's future, Mr Walesa urged the workers to maintain the solidarity manifest during the strike when they go back to work.

Employment Act to be target at Brighton

From Paul Routledge
Labour Editor
Brighton

Organized trade union hostility to the Employment Act now coming into force will be brought into sharp focus today. The leader of the largest union has predicted that unions will break the law and suffer the consequences.

On the first day of the TUC conference here, more than 1,000 delegates representing 109 unions are being recommended to mount a "sustained and vigorous campaign of non-cooperation with the Government including, if necessary, industrial action."

An overwhelming majority in favour is expected, signalling the official start to the TUC's campaign of outright opposition to the industrial relations reforms on picketing, the closed shop, state-funded strike ballots and other changes in labour law.

On the eve of the debate, Mr Mosyn Evans, general secretary of the Transport and General Workers Union, which has 2.2 million members, said: "Unions at times will find it necessary to break the law, and I suppose they will have to put up with the consequences."

His remark was echoed by Mr David Barnett, general secretary of the General and Municipal Workers Union, who said: "It seems to us, inevitably, that some trade unionists will end up in jail. I think the legislation is highly dangerous."

Support for the campaign against legislation increased immeasurably last night when leaders of 1.2 million engineering workers, who had hitherto shown doubts about such a militant posture, voted to support the TUC's position.

The risk of suspension or expulsion of unions such as the engineers' and the electricians' union for accepting state cash aid for secret ballots had been a tactical withdrawal from the TUC's previous hard line expulsion



Mr Len Murray relaxes in the sun on the promenade at Brighton yesterday.

move by the bakers from appearing on the agenda. However, the controversy over acceptance of government money for ballots is by no means buried. Asked what should be done to those unions in breach of the official boycott of the Act, Mr Barnett said: "I believe the TUC should consider action under Rule 13. That is the rule of congress which lays down suspension and ultimately expulsion for activities contrary to

the declared principle or policy of the TUC. The list of sponsors and supporters of the motion declaring "outright rejection of these provisions designed to weaken trade unions in order to facilitate the implementation of callous economic policies" reads like a roll of honour of the labour movement.

Debate on the policy attitude towards Mr James Prior's employment law reforms will strike the keynote for a week of bitter criticism of the whole range of economic and social policies.

The Pope to pay pastoral visit to Britain

By Robert Nowell

The Pope is to visit Britain, probably in the summer of 1982, according to an official announcement by the Roman Catholic Church in Britain. It will be a pastoral visit to the Roman Catholic community.

The news of the visit provoked an angry response from militant Protestants. The Rev Ian Paisley complained to Downing Street but the Archbishop of Westminster, Cardinal Hume, said it was very important to emphasise that the Pope was coming to Britain as a friend, and not as a threat.

There will be a strong ecumenical aspect to the visit with considerable likelihood of the Pope going to Canterbury to meet the Anglican Primate, Dr Robert Runcie. There is every possibility that during his visit the Pope will meet the Queen.

The formal invitation has come from the Roman Catholic Bishops' Conference of England and Wales, with a parallel invitation being extended by Cardinal Gray, Archbishop of St Andrews and Edinburgh, on behalf of the Scottish bishops.

The invitation was made and accepted when, just over a week ago, Cardinal Hume, and Archbishop Woollcock of Liverpool, were receiving the Pope and his entourage in the English capital.

emphasized by Cardinal Hume, at a press conference he gave at Archbishop's House, Westminster, yesterday.

Unlike the visits the Pope has undertaken to various countries so far, there is no specific occasion or event to bring him here, such as the seventh centenary of St Albert the Great, which will take him to West Germany in November.

The visit is seen by the Cardinal as a natural follow-up to the national pastoral congress held in Liverpool last May. It was only after that was over that the bishops could think of issuing a formal invitation to the Pope, Cardinal Hume said.

What he looked forward to from the Pope's visit was a word of encouragement, a word of hope, a word of peace.

Back door visit: In his protest to Downing Street, the Rev Ian Paisley, Moderator of Ulster's Free Presbyterian Church, said he had been told by one of the Prime Minister's aides that, as far as he knew, there had been no Government approval for the visit (the Press association reports).

Constitutionally, the Queen could not invite the Pope, and the visit was an attempt by the Roman Catholic Church to "bring the Pope into Britain by a back door, flouting the constitution and the laws of the Realm".

Iran 'Cabinet of conflict' disowned by President

Tehran, Aug 31.—Mr Mohammad Ali Rajai, the Iranian Prime Minister, finally named his Cabinet today, but many of his choices were immediately disowned by President Bani-Sadr.

Mr Rajai proposed his little-known team, including at least five former political prisoners, in a letter to Parliament, which will vote on them this week.

Mr Bani-Sadr, whose efforts to block hardliners during the past three weeks of stalemate appeared largely unsuccessful, gave warning of dissent against a government of conflict.

The names read in the Majlis (Parliament) have not been approved by me. I approve of several of the members, but the Cabinet not of others," he told the evening newspaper Islamic Revolution without mentioning names.

IRA in border kidnap of police reservist

From Christopher Thomas, Belfast

A police reservist was held captive last night by the Provisional IRA after being seized from his milk lorry in the border village of Newryhamilton, south Armagh.

Mr William Wallace Allen, aged 49, from Markethill, disappeared at 10 am yesterday. He has two children, a son of 22 and a daughter, aged 20. His wife, Mary, yesterday appealed for his safe return and offered what little money she possessed.

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Wickshire John ver League

ire became the John Player champions for the first time when they defeated their nearest challengers, the six wickets. Last season they finished bottom of the season they have been on top. They needed 181 to win and Whitehouse made it with a stand of 66 in 19.

Blockade causes big losses on ferries

The fortnight's blockade of Channel ports by French fishermen inflicted heavy losses, mainly because of fuel costs, on ferry firms and drove out of business the Jetlink hydrofoil service between Brighton and Dieppe; but tourist travel across the Channel, except for day cruises, was nearly a quarter up on last year. Page 4

Anti-nuclear motions on Labour agenda

Strong pressure on the Labour Party to renounce nuclear weapons and to close nuclear bases is reflected in the agenda for this year's annual conference. Many resolutions from constituent parties call for withdrawal from Nato and point to the increased government spending on armaments at a time of industrial decline. Page 2

At the double for Nato

Operation Crusader 80, the much publicized Nato exercise designed to test Britain's capacity to reinforce the Rhine Army, is under way. It will involve 30,000 troops and 130 vehicles, and cost £8.5m. Page 4

Peking's frail leaders

Five of the leaders attending the opening of China's Parliament in Peking were so old and frail that they had to be supported by attendants during the playing of the national anthem. Page 6

plea to whites

h, the former Rhodesian Prime Minister, urged whites, about 1,000 of whom are in South Africa every day in Zimbabwe for the time being, to support Mr Robert Mugabe's regime. Page 6

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HOME NEWS

Constituency pressure for pledge in next Labour manifesto to renounce all nuclear weapons

By George Clark
Political Correspondent

Pressure from constituency Labour parties for the next manifesto to pledge a renunciation of nuclear weapons and the closing down of all nuclear bases, British or American, in the United Kingdom or in British waters is reflected in more than 130 resolutions included in the final agenda, published yesterday, for this year's annual party conference. It is the continuation of a left-wing campaign that has already pushed the party leadership down the road towards nuclear disarmament, despite the resistance of Mr. James Callaghan, the leader, and the Shadow Cabinet.

Many of the resolutions press for the natural consequence of such disarmament, withdrawal from Nato, a move that is being strongly resisted by the main stream of the party.

Some refer to the decision of the special conference of the party in June, where a policy document opposed to a new generation of British nuclear weapons and the siting of American nuclear weapons in the United Kingdom was approved, and ask that the party leadership should campaign in support of those demands.

There is a call from Newport that Mr. William Rodgers, the

frontbench defence spokesman, should be replaced immediately by someone who will advocate party policy.

A resolution from the Society of Graphical and Allied Trades applauds the NEC decision to campaign against the present Government's plan to replace the Polaris weapon at the expense of social spending, and against the deployment of cruise and Pershing 2 missiles in Western Europe.

The union asks for a firm manifesto commitment opposing nuclear weapons and pledging closure of all nuclear bases, and adds that "the adoption of a policy to establish a European nuclear-free zone would be a major step towards worldwide disarmament".

Mr. Callaghan will have to build up strong support from his trade union friends if he is to fight off that challenge successfully. In the resolutions there are many references to the huge and increasing cost of armaments while productive industry goes into decline and while there are "savage cuts" in public services.

Against the defence, the party's constitutional reforms will form the main subjects for debate. That is where the clash will occur between the left-wing majority of the NEC, led by Mr. Rodgers, and the leadership to the right, which wants MPs and the leadership to be more accountable to the party

conference, and Mr. Callaghan and the Shadow Cabinet, who would like to present a demarcation line.

Last year's conference decision in favour of the mandatory submission for reselection of MPs to constituency general management committees, between elections, although strongly opposed by the moderate groups, seems likely to be confirmed.

The most contested proposals, backed by a majority of the NEC, are that the leader and deputy leader should be chosen by an electoral college representing all sections of the party, and not merely by the Labour MPs; that the party manifesto should be drawn up by the NEC alone and not by the NEC and the Shadow Cabinet; and that the Parliamentary Labour Party should be committed to implementing party policy.

With the help of a number of trade union block votes and the support of all moderate groups in the party, Mr. Callaghan hopes to get those proposals defeated. Labour's serious financial position is "cause for great concern", according to Mr. John Pridemore, secretary of the finance department.

The party ended last year with a net reduction of £24,937 on all its funds. Total net assets fell from £737,000 to less than £492,000, and most of that is held in non-cash items.

Rival party factions open campaigns for TUC support

By Our Political Correspondent

Stepping up their campaign to win support for their efforts to end the left wing's domination of the Labour Party national executive, the three former ministers, Dr. David Owen, Mr. William Rodgers and Mrs. Shirley Williams, will address a tripartite meeting at TUC congress in Brighton today.

In another hotel, a short distance away, Mr. Wedgwood Benn, backed by the Rank and File Mobilising Committee for Labour Democracy, will defend the record of the NEC and ask for maximum trade union support for resolutions to come before the party conference in Blackpool at the end of the month designed to increase democratic control in the party. The meeting is sponsored by the Campaign for Labour Victory, with Mr. Denis Howell, MP for Birmingham, Small Heath, another former minister, in the chair.

In a special edition of its journal, *Labour Victory*, for distribution in all TUC dele-

gates, the CLV pleads for union votes to be cast for moderate candidates for the national executive.

The women's section is elected jointly by constituency delegates and trade unions. The CLV states that the moderates' line hopes to win Mrs. Barclay Boothroyd, MP for Bromwich, West, Dr. Shirley Summerskill, MP for Halifax and a former Home Office minister, Dianne Hayer, general secretary of the Fabian Society, and the re-election of Mrs. Shirley Williams, a long-standing member of the NEC.

With the retirement of Lady Jeger, present chairman of the party, there is a chance for one of those challengers at least. In the constituency section Dr. Owen and Mr. Roy Hattersley, another former minister, are among six candidates recommended for union backing.

In the contest for the treasurer's post, now held by Mr. Norman Atkinson, a left-winger, Dr. Owen is a strong contender. Mr. Eric Varley, MP for Chesterfield, who is supported by the National Union of Mine-

Mr Scargill set for council seat

From Our Labour Staff

Brighton. Mr. Arthur Scargill, the left-wing Yorkshire area president of the National Union of Mineworkers, looked set last night to secure a place on the TUC General Council after engineering union delegates voted narrowly to cast their favour for him.

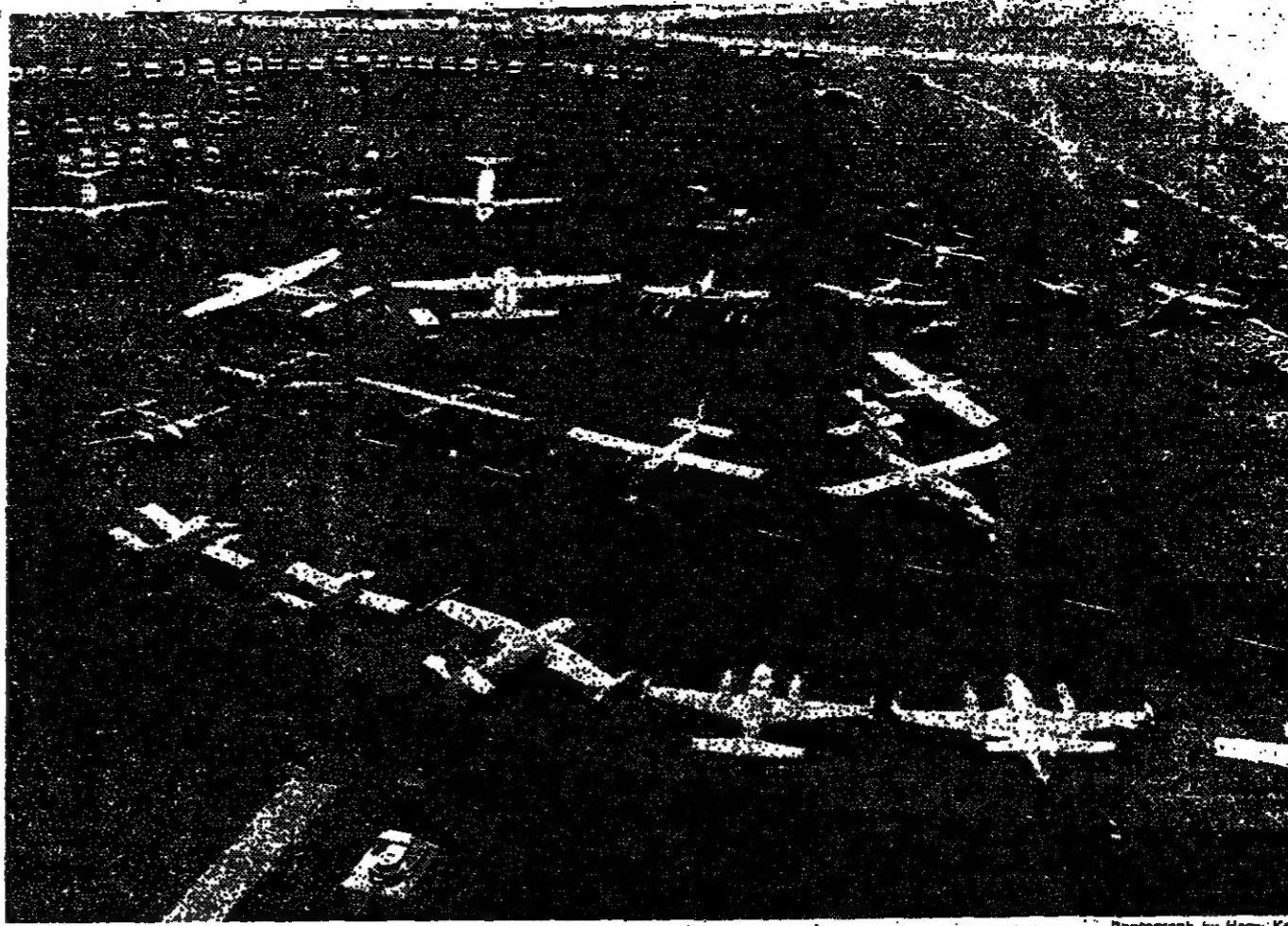
Mr. Scargill, who has over a million block votes at their command, is the only candidate of the Amalgamated Union of Engineering Workers' delegation, finely balanced between left and right, decided by 18 votes to 17 to overrule their moderate executives' advice, which was not to support Mr. Scargill.

With the Transport and General Workers' Union and a number of other key ones, probably including the General and Municipal Workers, ready to support him Mr. Scargill now seems assured of winning a place on the council, possibly with a handsome majority.

The opening for Mr. Scargill's ascent to the general council was created when Mr. Joseph Gormley decided not to become a candidate at the time when he was considering retirement from the presidency of the NUM.

The AUEW delegates' decision, however, was counterbalanced last night by another, by a majority of three votes, to accept the executive's advice that they should support for the general council Mr. Roy Grantham, MP for Dover, South, said on Saturday that if people generally had valued the rights and status which were being given up they would have made their anxiety and anger felt.

He said he had castigated the politicians and parties which lent themselves to destroying the country's political independence and constitutional inheritance. "But they have this to say, and validly, in their defence, that they were asked to do so and that those of them who put party or self



A pilot's view of part of the static display at the Farnborough Air Show, which opened yesterday.

Farnborough show opens with £40m order

From Arthur Reed
Air Correspondent

Farnborough. The Farnborough Air Show opened on a buoyant note for the British aerospace industry yesterday with an order worth £40m for 24 Westland Lynx helicopters for the Ministry of Defence, 10 for the Royal Navy and 14 for the Army.

More than 300 of that type of helicopter, originally developed as a joint Anglo-French project, have been sold, and Westland said yesterday that there is a "wide market interest" in a civil version, code named the WG 30.

Westland said that it has laid down an initial batch of 20, and that British Airways Helicopters is one of several helicopter operators with which it is at an advanced stage of technical and commercial talks. BAH would use the 18-seater helicopter in support of the North Sea oil and gas exploration industry.

The size of that

signed by Westland will be rare at this year's show, which is mainly concerned with talks behind the scenes on future projects among aircraft, engine and equipment manufacturers from all over the world.

Interest yesterday centred on the Airbus consortium, formed by French, West German, British, Dutch and Belgian interests, is to build as its next civil project, A1, in which Britain has a 20 per cent partnership, has logged 421 orders from 36 airlines for its wide-bodied A300 and A310 air buses with between 200 and 300 seats.

The consortium has the choice of developing another big Airbus to fly on long-range routes, or a 150-seat aircraft with a narrow body. Mr. Bernard Lathiere, director general of A1, said yesterday: "A decision will be made in the middle of next year."

But behind the scenes are assessing the market with the Airbus. It is certainly our intention to increase the Airbus

family, but a new aircraft will need an investment of from \$1,000m to \$2,000m.

"We have to be cautious, and we are talking with the Japanese and the Dutch as possible new partners. We would talk with the devil himself if he was interested."

The 1980 Farnborough show has a strong bias towards military aircraft. A ban by President Carter on the showing abroad of United States military hardware, which badly depleted the last show in 1976, has been lifted, and arrayed on the flight line are the latest American fighters, the F-15, the F-16 and the F-18.

France has sent her latest Mirage 4000 fighter, and several Tornados, fighter bombers built by British, West German and Italian and including the air defence variant ordered by the Royal Air Force, are to be demonstrated.

Behind the scenes at Farnborough there is a growing unease among industry leaders that those expensive military

aircraft may be out of date already because they need not runways. In time of conflict runways would be prime early targets for destruction by an enemy.

British Aerospace and Rolls-Royce are therefore quietly confident that a super sonic vertical-short take-off fighter based on technology in the Harrier, on which they are working jointly, is on the correct track. Rolls-Royce has sections of a super sonic engine for a VTOL fighter running on test.

The super sonic Harrier would be able to take off and land from the deck of a ship or clear in a wood. The British aerospace industry is certain that, given foresight by the Ministry of Defence, the RAF and the Royal Navy, an aircraft of that type could be the star of the show, and the envy of the Americans, at the Farnborough of 1990.

Farnborough special report, pages 7 to 12

Chann.

Six Servicemen today when they English Channel by Four soldiers and Marines left their 25,000ft above Dover and within 22 landed near Calais.

The French were not by the crossing, made to money, for spins biffa rescue. The team dropped into the arms of the French and were rescued, up hoisted off to the local station. They were held for hour before the British consul in Calais was called his bed to bail them out trouble.

The team was led Sergeant-Major Edward Leventon of the Parachute Regiment's Red Devil's free team. It included two members of The Parachute Regiment, Staff Sergeant Walters and Corporal Sheridan, and Staff Sergeant Geoffrey Ellis, from the F Regiment of Wales, Sergeant Derek White, of the Marines and Marine R. Scoular.

Sergeant-Major Leventon said: "The jump went in dream, and it was a fan experience. We took about 4.50 and climbed to feet, we jumped over Kent coast and dropped about a thousand feet before opening our parachutes."

"The wind was really strong at about 50 knots. It was strong that we were all quite a high altitude where the French coast arrived there spread out about 5,000 to 8,000 feet could easily have gone on another nine miles."

Staff Sergeant Walters said: "It was a great flight over passed a ferry on the way."

Women unite in combat Ripper

More than eighty women have joined an organization, Women Against Attack, and held a test march on Saturday the Manchester, Bradford, the Yorkshire Ripper has a number of women and hooded men have been seen.

The women are campaigning for a curfew on men, street lighting, and the carry weapons for self-defence.

Workers '£10 worse off'

From David Felton
Labour Staff

Brighton. Government policies have made every working adult in the country £10 a week worse off, a Civil Service union claimed yesterday.

The 105,000-strong Society of Civil and Public Servants, in a booklet published on the eve of the TUC conference in Brighton, estimates that since the Government has raised higher prices and cut in benefits and services have reduced living standards by more than £15,000m.

Mr. Gerry Gillman, the union's general secretary, called on the trade union movement to resist the Government's com-

mitment to the market economy through publicity campaigns, demonstrations and where necessary, direct action.

The 80-page booklet, entitled *The Advance of Decline*, is being distributed to MPs, TUC delegates, and SCPS members.

In a letter to MPs the union says: "The most appalling consequence of current policy is the level of unemployment. The Government tries to put across the view that unemployment is caused by pay rises, and that the solution lies in cutting workers' pay. This is a systematic lie."

Mr. Gillman said it was "quite horrendous to see what the Government has achieved in the last 16 months."

The AUEW delegates' decision, however, was counterbalanced last night by another, by a majority of three votes, to accept the executive's advice that they should support for the general council Mr. Roy Grantham, MP for Dover, South, said on Saturday that if people generally had valued the rights and status which were being given up they would have made their anxiety and anger felt.

He said he had castigated the politicians and parties which lent themselves to destroying the country's political independence and constitutional inheritance. "But they have this to say, and validly, in their defence, that they were asked to do so and that those of them who put party or self

Meanwhile the AUEW delegation delayed a decision on a temporary support for the motion on nuclear disarmament, an issue that has threatened to expose a serious division between unions within the TUC.

The engineering union leadership, which is against unilateral disarmament, and a commitment to "multilateral disarmament both in the nuclear and conventional fields".

That wording is contained in an amendment to a TGWU resolution which proposes "firm support for any defence policy which is based upon the use, or threatened use, of nuclear weapons either by this country or its allies."

After private talks aimed at securing a formula to reconcile the two positions, AUEW leaders are thought to be ready to accept the wording of a draft composite motion, provided they can secure assurances from the TGWU on its presentation.

Disarmism at apathy of people over EEC

By Our Political Correspondent

Indicating clearly his disappointment over the apparent lack of public interest in the "betrayals" which had led to Britain's loss of sovereignty through membership of the EEC, Mr. Enoch Powell, Official Unionist MP for Dover, South, said on Saturday that if people generally had valued the rights and status which were being given up they would have made their anxiety and anger felt.

He said he had castigated the politicians and parties which lent themselves to destroying the country's political independence and constitutional inheritance. "But they have this to say, and validly, in their defence, that they were asked to do so and that those of them who put party or self

before nation suffered no noticeable retribution at the people's hands", he added. In the last analysis it was not the parties and politicians but the nation that had been on trial: "and the nation, if such it still is, has so far failed that trial."

"The British are accustomed to hearing hard things said about them; but their worst enemy is the man who speaks of them as 'they' do not care."

Mr. Edward Taylor, Conservative MP for Southend, East, and a former minister, said in Southend that one of the most helpful and significant steps the Government could take in the battle against inflation would be to aim at dismantling the common agricultural policy and allowing each member state responsibility for managing its own agriculture and food supplies.

A motion before congress from the Association of Scientific, Technical and Managerial Staffs expresses concern that the rise in jobs "will produce large numbers of non-union people who will lack any form of effective representation."

In the 20 years under review at least half of industrial employment in the inner cities has been lost.

The Continuing Campaign for Change and Development in Greater Manchester (Gower Publishing Company).

Hopes rise of a London Getty museum

By Our Arts Reporter

Talks between Mr. Norman St. John-Stevens, Minister for the Arts, and the trustees of the Paul Getty Museum in Malibu, California, have awakened hopes that a Getty museum may be opened in London.

It was confirmed yesterday that the minister visited California early last month and saw Mr. J. Paul Getty, the museum's director.

There have been fears that money from Mr. Getty's estate would be used to buy art treasures from Britain which would then be taken to the United States.

If a museum was opened in Britain, possibly at Somerset House in London, purchases would remain in this country but would be available for loan to the main museum.

Disabled fear jobs quota scheme may be abolished

By Pat Healy
Social Services Correspondent

Mr. James Prior, Secretary of State for Employment, is to be asked this week not to give employers "a lifeline" to forget their responsibilities by abolishing the quota scheme for disabled workers.

The Disability Alliance, representing 71 organizations, fears that the Government's intention to abolish the scheme is a retrograde step, particularly when the Government is about to cut substantially the budget of its "fit for work" campaign, which is designed to persuade employers to give jobs to disabled people.

Mr. Prior will also be reminding that the commission's research indicates that employers regard the scheme as "wasteful" and some would port levies on those who persistently fail to meet the quota.

The "fit for work" campaign, introduced last year, has its budget cut by £491,214 last year to £1 in 1980-81. The Alliance believes that abandoning the scheme on top of curbing promotional campaign means that the Government is giving up any serious attempt to tackle unemployment among disabled people.

Private bid to save Consett

From Our Labour Editor
Brighton

A private sector consortium of banking and industrial interests has been formed to purchase the closure-threatened Consett steelworks from the British Steel Corporation. Talks will open with the Government today.

The works, employing more than 3,500 men, is due to be shut down next Saturday under British Steel's streamlining plan. But there were reports last night that the consortium is ready to acquire the works in an attempt to keep it viable while delicate negotiations with

the Department of Industry proceed.

Mr. William Sims, general secretary of the Iron and Steel Trades Confederation, said last night in Brighton where he is attending the TUC conference: "We feel the corporation got wind of this bid and are bringing the closure forward to shut off furnaces so that brickwork will deteriorate and it will then cost a lot of money to reopen. So it is absolutely crucial that these talks go ahead quickly."

Originally Consett was due to close on September 30.

Mr. Sims declined to identify the partners in the consortium but he argued they should have time to conclude their bid.

Changes in tax allowances to be discussed

By Pearce Wright
Finance Editor

Proposals for ending alleged tax discrimination against women are contained in a discussion paper being drafted by the Treasury and the Inland Revenue. Officials stated yesterday that the paper might be published next month or early in October.

Ministers would assess public reaction before deciding what action to take, the officials said. The length of the debate would decide whether any changes could be included in next year's Budget.

The paper is being published partly in response to claims by women's groups that they are discriminated against under the present tax system.

One proposal put forward is that the married man's allowance should be replaced by a different system of benefits.

At present a married man whose wife works is entitled to a tax allowance of £3,520, made up of his own personal allowance of £2,145 and a working wife's earned income allowance of £1,375.

Chronicle of decline in Lancashire industry

By Pearce Wright
Finance Editor

The impact of industrial decline and economic restructuring over the past 30 years on one of the most densely populated areas of Britain, with a population of 2,700,000 in 500 square miles, is examined in a study published today.

The report carries lessons for those in Government, local authorities, industry and commerce seeking the best transition from traditional manufacturing occupations to jobs exploiting new technologies.

The study describes the stemming rejuvenation in the 1950s of the heartland of the first industrial revolution, which proved to be ephemeral. It is a region formed by the inner cities of Manchester and Salford, and the surrounding districts of Bolton, Bury, Oldham, Rochdale, Stockport, Tameside, Trafford and Wigan.

The publication is not a planning document. It is a series of 15 essays that record and interpret the large changes that have taken place in the postwar period, but it concentrates

heavily on the events of the past 20 years.

The study was prepared to coincide with the opening today of the annual meeting of the British Association for the Advancement of Science, at Salford University; it is 20 years since the association met at Manchester University.

In the meantime there have been changes in the two inner cities and surrounding conurbation described as more radical than at any time since the first explosive surge of urban growth early in the nineteenth century.

Many changes have come about by the application of scientific knowledge. The catalogue of those events provides a unique reference to a contemporary history of technology. It also marks one of the most forceful efforts in the 149 years of the association to encourage interest in the industrial application of science and technology.

Although the latest advances in astronomy, biology, chemistry, mathematics and physics will attract attention at the meeting, the role of the sci-

tist and engineer in industry will assume a central position. If an explanation is needed for emphasizing the application of science, it is provided by a contribution of Professor H. B. Rogers, of Manchester University, in a chapter headed *A New Industrial Revolution* (Deffered), which forms part of a profile of urban change in Manchester.

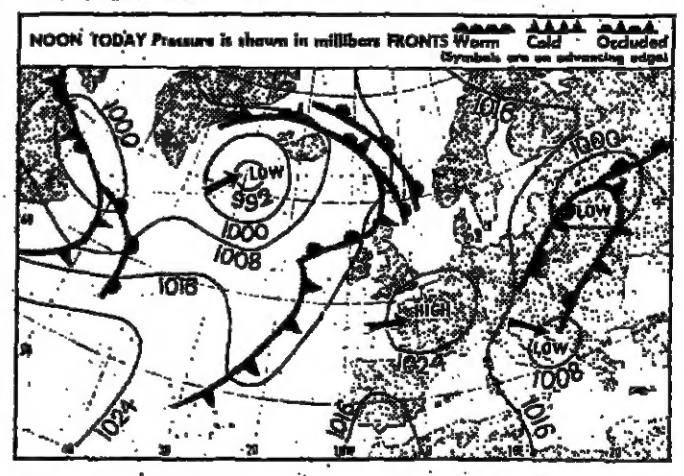
When the parents of today's teenagers left school, about 1960, they had little difficulty in finding work. It had come to the urban complex of south-east Lancashire, since 1960. The economy had never been weaker, particularly when, late in the 1960s, service industry followed manufacturing into decline. Yet investment had never been stronger.

The investment surge of 1960 to 1980 had been directed not to much towards reconstruction of the economic base—much less so than on Merseyside—as towards rebuilding the urban fabric and remodelling its transport flows. It had, therefore, not been job-creating investment, except ephemeral.

Indeed, in part its effect had been to reduce and disperse employment. In the 20 years under review at least half of industrial employment in the inner cities has been lost.

The Continuing Campaign for Change and Development in Greater Manchester (Gower Publishing Company).

Weather forecast and recordings



Today
Sun rises: 6.13 am. Sun sets: 7.47 pm.
Moon sets: 11.28 pm.
Last quarter: 7.8 pm.
Lighting up: 8.17 pm to 5.45 am.
High water: London Bridge, 7.1 am, 6.7m; 7.15 pm, 6.5m. Avonmouth, 12.10 am, 12.2m, 12.25 pm, 11.6m. Dover, 4.0 am, 6.3m; 4.21 pm, 6.3m. Hull, 11.37 am, 7.1m; 11.55 pm, 6.5m. Liverpool, 4.17 am, 8.3m; 4.46 pm, 8.4m. Liff=03043m. 1m=3.280ft.

Pressure is high to the SE and a weak frontal trough lies near NW coasts.
Forecasts for 6 am to midnight:
London, SE, E, Central S, Central N, NE, NW, England, East Anglia, Midlands, Channel Islands: Dry, sunny periods; wind SW, light; max temp 21 to 23°C.
SW England, Wales: Dry, sunny intervals, rather cloudy at times near coasts; wind light to light moderate; max temp 18 to 20°C (64 to 68°F).

Lake District, Borders, Edinburgh and Dundee, Aberdeen: Mostly dry, few sunny intervals; wind SW, moderate; max temp 18 to 19°C (64 to 67°F).
Isle of Man, SW Scotland, Gas: Mostly dry, few sunny intervals; wind SW, moderate; max temp 18 to 19°C (64 to 67°F).

WEATHER RECORDS YESTERDAY
Midday: 14°C (57°F).
Low: 10°C (50°F).
High: 18°C (64°F).

At the resorts
(24 hours to 6 pm, August)
Sun. Rain. Max. Min. Wind. Humidity.
E. COAST
Bournemouth: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Brighton: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Hastings: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Hove: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Luton: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Newcastle: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Plymouth: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Portsmouth: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Reading: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Sheffield: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Southampton: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Trafalgar: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
W. COAST
Birmingham: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Cardiff: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Dorchester: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Exeter: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Gloucester: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Hull: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Leamington: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Loughborough: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Luton: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Manchester: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Milton Keynes: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Nottingham: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Oxford: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Preston: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Reading: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Sheffield: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Southampton: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Trafalgar: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
W. COAST
Birmingham: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Cardiff: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Dorchester: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Exeter: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Gloucester: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2.
Hull: 11.8, 12.2, 12.2, 12.2, 12.2, 12.2

ITALIANS ARE TEMPERAMENTAL. SAYS WHO?

THE UNIVERSITY OF ICSDA
LIBRARY
ACC. NO. 24065
CLASS NO. —
DATE 9 NOV 1980

Model	Breakdowns per 1000 cars averaged over 1978/79.
Fiat 132	12.5
Opel Rekord	14.4
Audi 100	14.7
Ford Granada	15.7
BMW 3 Series	20.2
Renault 20	21.8
Porsche 924	28.1

Certainly not the Germans.

ADAC Strassenwacht, the German equivalent of our own AA or RAC, recently published a report on the reliability of cars up to two years old.

Top of the table for cars averaging 12,000 miles a year was none other than an Italian.

The Fiat 132.

Streets ahead of not only the Ford Granada and Renault 20, but also the Audi 100, Opel Rekord and BMW 3 Series.

How have we achieved this reliability, greater even than the Germans themselves?

At the expense of our hot-blooded character, perhaps?

Not a bit of it.

Beneath the bonnet of the 132 you'll find a two litre twin cam engine, producing 112 bhp. Taking you from 0-60 in 11.0 seconds and, through its five speed gearbox, to a top speed of 106 mph*.

Nor has our efficiency meant austerity.

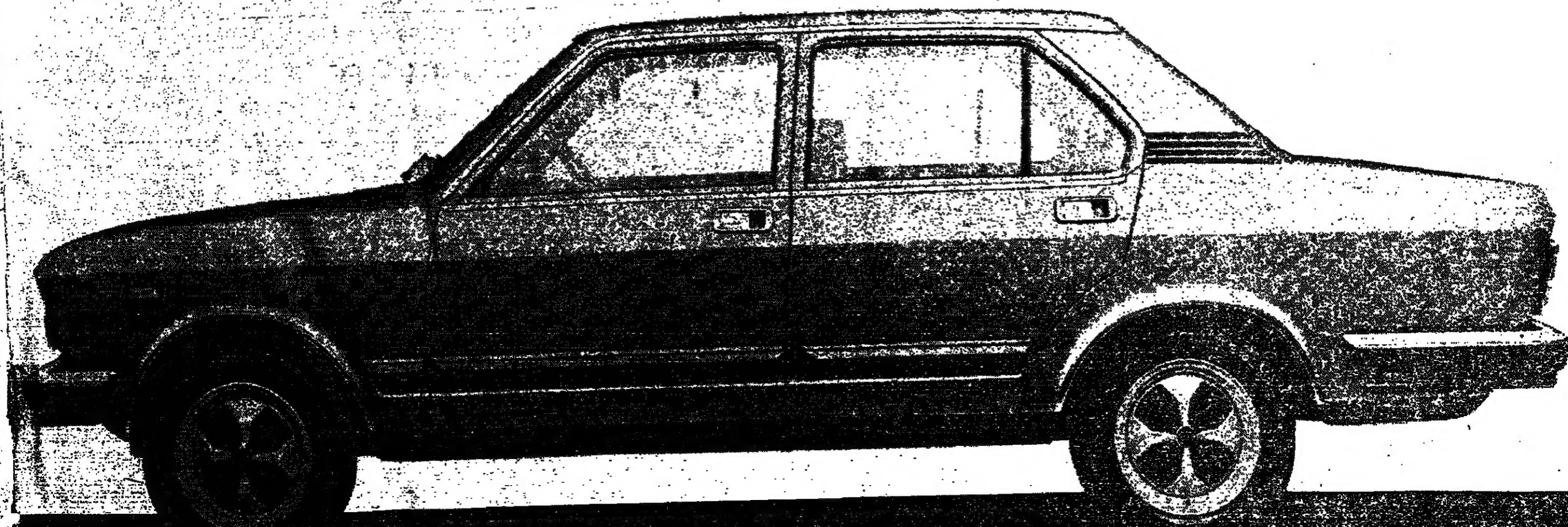
Standard fittings on the 132 include electric front windows, sports wheels, stereo radio, velour upholstery, metallic paint and tinted glass.

One other feature is standard, too.

Every new Fiat 132 comes with free associate membership of the RAC. Just in case you lose your keys.

For more details about the reliable Fiat 132, write to the address below.

FIAT



The Fiat 132.

HOME NEWS

Cross-Channel ferries count cost of 15-day French ports blockade

By Michael Bailey

Shipping Correspondent

Cross-Channel ferry operators were licking their wounds yesterday after a fortnight's blockade by French fishermen that not only caused misery to thousands of British holiday-makers but also inflicted heavy losses on them.

The blockade forced one of them, the Jeddik hydrofoil service between Brighton and Dieppe, out of business. Yet, despite the blockade, tourist travel across the Channel was nearly a quarter up on last year. As a result of the widespread diversion of services to Belgian ports, which one operator compared to D-Day, or Dunkirk, the totals were much as expected in a year when traffic has been strongly boosted by the price war among ferry operators.

The only exceptions were day trippers, who were naturally deterred from taking up the cheap offers available for fear of getting caught in the blockade, and ferry operators, whose marginally reduced traffic was as much part of a longer-term trend as an effect of the blockade.

For ferry operators the biggest cost imposed was the diversion from short routes like Calais and Boulogne to Ostend and Zeebrugge, more than twice the distance. That heavily reduced ship capacity, and more than doubled fuel costs at today's high bunker prices.

Townsend-Thoresen, the leading private enterprise operator, said yesterday that the financial damage had been in-

flicted by the blockade. With other operators it had suffered cancellations, but traffic in the first five months had been 60 per cent up because of more competitive pricing and faster ships. Bookings in August were also substantially higher.

For British Rail's Sea Link subsidiary Mr Derek Roberts, head of Continental Services, said that in common with other operators Sealink was "licking its wounds and assessing the cost of keeping faith with our customers" during the blockade.

The line had reduced its usual nine routes to two, Dover and Folkestone to Ostend. Services on them were increased from 24 to 62 a day, providing capacity for 70,000 passengers and 4,000 cars.

But with well over twice the steaming distance involved that operation had been achieved only at the cost of a "massive addition" to its fuel bill.

The number of cancellations by regular holidaymakers could not be calculated until returns came in from travel agents, but Sealink estimates that it lost about 20,000 day trippers in the 15 days of the blockade.

Despite the loss of trippers, traffic through Dover for the four weeks to August 28, at about 1.2 million passengers and 250,000 cars, was nearly 24 per cent up on 1979. Coach traffic was 30 per cent up.

Despite a police attempt to declare Dover a "no-go area" on August 17, the first weekend of the blockade, a port spokesman said the longest time to board a ship was three hours.

Fishermen retire hurt as resistance crumbles

From Ian Murray

Paris, August 31

The skull and crossbones flags limply from makeshift flagpoles leashed to the masts of the trawlers along the little quay here. The flags and the angry, noisy, now sailing in the choppy waters, are the only outward signs of the way the French fishing strike has affected this tiny Normandy port.

Port en Bessin trawlers have been among the most active in the past few weeks in blocking harbours and taking on the French navy in the "battle of Antifer", the oil port near Le Havre. Now the seamen, gathered in the bars, or stare at their battered ships, the fight having been knocked out of them as much by loss of wages as by naval action.

But the resentment that led them last week to burn their French flags and hoist the jolly Roger flag, as it does in fishing ports all round the coastline, it led to Bessin being blocked again for a while yesterday, and at Seabed d'Orléans, in the Vendée, riot

police have cut the cable sealing the harbour, adding to the fishermen's resentment against the state.

Although the blockade has been lifted virtually everywhere and a diminishing number of ports are on strike, the dispute which started it all has still to be resolved.

The National Conciliation Commission for the Fishing Industry reconvenes in Paris tomorrow after two earlier failures to settle the dispute. Its brief is no more than to resolve the stalemate at Boulogne, but any settlement will have national repercussions. Should it fail, the strikes and blockades could well begin again.

In Boulogne, where the dispute began, life is returning to normal after the sailors on Friday night lifted their roadblocks and allowed the fish haulers to go back. The haulers, in turn, removed the vehicles blocking the roads and the trawlers blocking the harbour entrance went back to their home port of Esplanes.

Antiques code 'threat to business privacy'

From Ronald Faux

Edinburgh

A new legal code that would govern the antiques trade in Scotland has been attacked as a severe infringement of business privacy.

Mr Bernard Edwards, for 20 years a dealer in Edinburgh in early scientific and philosophical instruments, says that Mr George Younger, Secretary of State for Scotland, has proposed laws which would be likely to drive second-hand dealers out of Scotland.

The object of his wrath is a slim consultation paper on a Code of Civil Government in Scotland. Behind it Mr Edwards detects the hand of government meddling in matters that should remain the province of buyers and sellers.

The proposed code is due to replace the Burgh Police (Scotland) Acts of 1892 and

1903. It greatly strengthens police powers to monitor the antiques trade. It lays down that a second-hand dealer shall keep records of every item of his stock.

They should give the time and date when the item was acquired, the price paid, the name and address of the person from whom the dealer acquired it, the time and date of the transaction, the name and address of the person who bought it, and the price paid.

Mr Edwards complains: "The requirement to maintain such detailed records, which are laid open to the police and local authority at any time without warrant, is nothing more than a presumption of guilt in default of such a record. It implies without benefit of charge, proof or conviction that all second-hand dealers



Chieftain tanks of The Queen's Royal Irish Hussars travelling to Southampton yesterday to embark for exercise Crusader 80.

Buck's Fizz and kedgeree the stuff to feed the troops

From Henry Stanhope

Defence Correspondent

Southampton

Activity burst out on the home front yesterday when the first troops embarked for Crusader 80, one of the most publicized exercises to be staged on behalf of Nato since the 1940s, and at £8.5m, one of the most expensive.

Interest in Britain will focus most clearly on the reinforcement phase, whimsically code-named Jogtrot, in which 30,000 regular and reserve soldiers will be drafted to the British Army of the Rhine largely by civilian ferries and military and civil aircraft.

Last night saw the start of its operation when The Queen's

Royal Irish Hussars, incorporating Sir Winston Churchill's old regiment, approximately 500 were due to sail from Southampton Docks with 130 vehicles, including 46 Chieftain tanks.

A column of 32 Chieftains optimistically drove to the port on their own tracks from their camp at Tidworth, Hampshire, along the highways and motorways of southern England at a steady 12 mph; or not in some cases.

Four of the Chieftains lived up to their mechanical history by breaking down and had to be ignominiously towed to Southampton or borne there by tank transporters.

Hundreds of people turned

out in the early morning to see the convoy, some of them waving Union Jacks left over from the Queen's Silver Jubilee or the European Cup. One family drove to Tidworth from Hounston, in Devon, to watch the first squalid tanks march off into the dark at 4.30 am.

The troops entered into the spirit of the exercise. At one roadside halt a waiter from the officers' mess in full mess kit served steaming hot kedgeree and Buck's Fizz (champagne and orange juice) given by the officers' wives. "The Queen's Royal Irish Hussars," said one officer carefully, "try never to go anywhere without champagne."

Other ranks less ambitiously

found some giant-size drainpipes near the embarkation point at Southampton combined to make a makeshift bar, to play cards, or catch up on lost sleep, while waiting for the 14 other tanks to arrive from Warrminster by tank transporter.

Many joined in criticism of civilian motorists, some of whom, faced with the prospect of 32 tanks to overtake, had treated it as a kind of initiative test.

The tanks and other vehicles, with 500 troops, should arrive on ferries at Zeebrugge today.

The most intensive embarkation for the Continent will take place during the weekend after next, when most of the 20,000 Territorial Army, part-time

involved in Crusader 80 will depart, some travelling with full pay, some on civilian ferries. Mock war will break out in West Germany a few days later with all the certainty engendered by years of preparation, and will last for just over a week, weather permitting.

Armies of the Warsaw Pact are also holding their biggest manoeuvres in 10 years on the other side of the East German border.

Like other Nato members, Britain was required to accelerate mobilization and reinforcement schedules under a package of Nato improvements agreed in 1977-78. Crusader 80 will be the first comprehensive examination of the system.

Consumer body to press for freedom of information Act

By Robin Young

Consumer Affairs

Correspondent

The National Consumer Council is to campaign for a freedom of information Act, which would oblige public bodies to disclose information gathered at public expense.

The council, which was re-organized earlier this year by Mrs Sally Oppenheim, the Minister of State for Consumer Affairs, for interesting itself extensively in "political" matters, is concerned that statutory consumer bodies, appointed as watchdogs of the nationalized industries, are denied information they require to do their job properly.

An article in the new issue of *Clapham Omnibus*, a magazine published by the council for consumer representatives, claims that statutory bodies at

both regional and national level are "greatly hampered" by the way information is withheld "often unjustifiably on the grounds of commercial confidentiality."

Official information should be regarded as public property, and "forecasts of national output, secret proposals to cut the size of the railway network, unpublished Department of Health and Social Security reports on communicable diseases, Department of Trade studies of the environmental damage caused by juggernauts" should all be open to public scrutiny.

Mr Martin Smith, the author, a consultant to the council, says: "Access to information is crucial to the exercise of informed choice. It is essential if the consumer is to play an active and constructive role in the development of public policy."

No listing of Hoover factory

By John Withersow

The Department of the Environment yesterday disclosed that the Hoover factory in west London, considered by some the finest British example of Art Deco industrial architecture, is not a listed building.

A week ago a large section of the Firestone factory, near by, was demolished a few days before it was expected to be seen how a further £500,000 saving could be made in its demolition.

The Hoover factory was built in 1932 from designs by the architects, Wallis, Gilbert and Partners, who also drew up plans for the Firestone building. Although it is believed to be in no immediate danger of demolition, there are reports of plans to redevelop the gardens in front of the factory, which could significantly change its setting.

Conservationists are trying to ensure that the factory, on Western Avenue, is protected with other interwar buildings of architectural interest on the Great West Road.

Mr Marcus Binney, chairman of the Art Fund's Heritage, has asked Mr Michael Benger, Secretary of State for the Environment, to protect the remains of the Firestone factory.

Mr Binney has also asked Hounslow borough council to order that the factory be rebuilt, claiming that the demolition needed planning permission.

The factory's Egyptian-style central section was demolished by a subsidiary of Trafalgar House, the newspaper and property conglomerate, to clear the site for industrial and office use.

The Trafalgar House development has won some local support because it is expected to provide 2,000 jobs within two years. A further 600 people might be employed on construction.

Cuts mean earlier close for BBC

By Kenneth Goding

Television programme planners of BBC 1 will be examining the possibility of closing the channel's controller, today and tomorrow ways of cutting 5 per cent from the budget for 1981-82 as part of the BBC's overall £150m savings.

Between them the controllers of BBC 1 and 2 have to make cuts totalling £3m in the total budget of £60m. And Mr Brian Wendenham, controller of BBC 2, confessed yesterday that after reducing projected expenditure by £1m, he was still unable to see how a further £500,000 saving could be made in his channel's spending.

"You can talk about knocking off an odd edition of *Monty Python's Flying Circus*," he said, "and these we have already trimmed. But in the end you are talking in terms of not making a 13-part drama series or a run of 26 documentaries."

This planning process, due to end next month, is one we go through every autumn, but this year it is much more difficult for us."

With the earlier evening finish for Radio 3, Mr Wendenham's channel is following the same course this month, coinciding with the end of the cricket season, by closing down at 11.30 pm on Tuesdays, Wednesdays and Thursdays.

The Old Grey Whistle Test

will move from Tuesdays to Saturdays. "For the moment," Mr Wendenham said, "we shall not be attempting to put up anything new or original on these three weekday evenings."

Next year's economic measures are based on the assumption that the inflation rate will be 10 per cent, the second year of the "wage-price" fix of the licence fee, and a 13 per cent. Anything less than that could mean trouble.

Mr Wendenham explained: "Over the last 10 years, three years we have been seeking to build up our domestic drama so as to reduce our dependence on America."

"This autumn there is less American material than usual. But it costs about £100,000 an episode for any sort of drama, and only a tenth of that if you are buying from abroad."

What was not clear, he said, was when the Government would want to renege on the licence fee. "They have said 'No increase until 1982', but I think there are signs that they will be looking at it again next year."

At last week's launching of BBC Television's autumn plans, Mr Alasdair Milne, managing director, spoke of "a quiet week licence" by 1982. The BBC is pushing hard for

British war our apples say French growers

The failure of British growers to stem the flow of French Golden Delicious apples to the Channel was yesterday blamed on a lax export production and marketing.

Mr Michel Gardent, representative of all French growers, said in Avignon: "British farmers could not compete with the French because they could not produce what the customer wanted. The customer wanted the Golden Delicious, and we could not produce it."

It is nonsense to say it is an apple war and that we are dumping fruit on the British market. We simply supply the British housewife with what she wants and she proves it by buying it."

Only 25 years ago France was an apple importing country but she is now the largest exporter, and her biggest customer, France, says they may 250,000 tonnes of Golden Delicious apples this year.

Mr Gardent said: "In 1979, the French market for apples eaten in Britain was 1.5 million tonnes. In 1980, it will be 1.6 million tonnes. In 1981, it will be 1.7 million tonnes. In 1982, it will be 1.8 million tonnes. In 1983, it will be 1.9 million tonnes. In 1984, it will be 2.0 million tonnes. In 1985, it will be 2.1 million tonnes. In 1986, it will be 2.2 million tonnes. In 1987, it will be 2.3 million tonnes. In 1988, it will be 2.4 million tonnes. In 1989, it will be 2.5 million tonnes. In 1990, it will be 2.6 million tonnes. In 1991, it will be 2.7 million tonnes. In 1992, it will be 2.8 million tonnes. In 1993, it will be 2.9 million tonnes. In 1994, it will be 3.0 million tonnes. In 1995, it will be 3.1 million tonnes. In 1996, it will be 3.2 million tonnes. In 1997, it will be 3.3 million tonnes. In 1998, it will be 3.4 million tonnes. In 1999, it will be 3.5 million tonnes. In 2000, it will be 3.6 million tonnes. In 2001, it will be 3.7 million tonnes. 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In 2027, it will be 6.3 million tonnes. In 2028, it will be 6.4 million tonnes. In 2029, it will be 6.5 million tonnes. In 2030, it will be 6.6 million tonnes. In 2031, it will be 6.7 million tonnes. In 2032, it will be 6.8 million tonnes. In 2033, it will be 6.9 million tonnes. In 2034, it will be 7.0 million tonnes. In 2035, it will be 7.1 million tonnes. In 2036, it will be 7.2 million tonnes. In 2037, it will be 7.3 million tonnes. In 2038, it will be 7.4 million tonnes. In 2039, it will be 7.5 million tonnes. In 2040, it will be 7.6 million tonnes. In 2041, it will be 7.7 million tonnes. In 2042, it will be 7.8 million tonnes. In 2043, it will be 7.9 million tonnes. In 2044, it will be 8.0 million tonnes. In 2045, it will be 8.1 million tonnes. In 2046, it will be 8.2 million tonnes. In 2047, it will be 8.3 million tonnes. In 2048, it will be 8.4 million tonnes. In 2049, it will be 8.5 million tonnes. In 2050, it will be 8.6 million tonnes. In 2051, it will be 8.7 million tonnes. 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WEST EUROPE

Greek government seeks power to combat press monopolies by fixing minimum price for papers

From Mario Modiano

A Bill empowering the Greek Government to fix a minimum floor price for Athens daily newspapers is being pushed through the summer sitting of Parliament this week, on the ground that it will protect the freedom of the press from unfair competition.

Of the 13 Athens daily newspapers, all but two sell at 15 drachmas (15p), a copy. The exceptions are *Rizospastis*, the official organ of the Greek Communist Party, which costs 10 drachmas, and *Avriani*, a neo-rightist afternoon newspaper, which is sold at 25 drachmas. A circulation of 65,000, the second largest in the country.

These two newspapers can charge their prices after the Council of State, the supreme administrative body, has questioned an order of the Under-Secretary for Press Affairs of last May, increasing the obligatory minimum sale price from 10 to 15 drachmas.

The public's reaction to the 50 per cent increase, as well as the side-effects of a four-week closure of newspapers because of a printing dispute, caused a severe slump in newspaper circulation. It is the lowest readership rate in Europe. Some news-

papers lost up to one-half of their circulation.

The Government granted newspaper publishers a special licence to overcome the crisis. They have obtained their newspapers free.

The Bill, in its draft form, states that powerful press monopolies must be eliminated by fixing a minimum price for newspapers.

To stop these practices, the law will make it compulsory for Athens publishers to sell newspapers below a specified floor price. If they do not, they will be fined.

Mr. George Papadimitriou, who has been in charge of the newspaper and press since the end of the 1970s, said that this is a blow to the freedom of the press.

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OVERSEAS

Mr Chapple proposes rival visit to Poland

From David Felton

Attempts by the TUC leadership to diffuse the dispute over the planned visit by a high-level union delegation to Poland next week have failed when a moderate union leader announced that he was trying to organize a rival visit.

The argument erupted again at the opening of the Trades Union Congress here when Mr Frank Chapple, general secretary of the Electrical, Electronic, Telecommunications and Plumbing Union, announced an invitation to visit "a communist dictatorship at the behest of a communist government."

His union executive has decided to oppose the TUC General Council's compromise emergency motion to be discussed on Wednesday which asks congress to support the visit.

The delegation, headed by Mr David Barnett, general secretary of the General and Municipal Workers' Union, hopes to meet strike leaders in Poland. Mr Chapple is scornful of the delegation's ability to have open discussions with the strikers.

He said they would be escorted around the country by police and would not have their own interpreter.

The TUC General Council had asked unions which drafted emergency motions on Poland for the congress agenda to withdraw them.

Further opposition to the TUC came from Mr Vladimir Borisov, who was deported from the Soviet Union for trade union activities and who is in Britain on the invitation of Mr Chapple.

Mr Borisov said that the visit "would certainly be a smack in the face for the strikers. It would be just a demonstration of unity with the strikers."

Mr Borisov, aged 37, and a leader of Smot, the illegal Soviet Free Trade Union organization, said the unrest in Poland meant that the strike leaders would "have to face some form of unpleasantness in the future."

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Accord with Government concedes workers' main demands

Strikers win the right to free trade unions

Gdansk, Aug 31.—The final agreement signed in Gdansk today by striking workers and a government commission ending the strike there includes the following points:

1. The activities of the trade unions in Poland have not fulfilled the hopes and expectations of the workers.

It has been found necessary to set up new, self-governing trade unions which would be authentic representatives of the worker class. No one's right to remain in the present union will be questioned, and in the future we see a possibility of entering into cooperation between the two unions.

2. By creating new, independent, self-governing trade unions, the joint strike committee declares it shall observe the principles of the constitution of Poland. New trade unions shall defend the social and material rights of the workers, and they do not intend to become a political party. They stand on the principle of the social ownership of the means of production which is the basis for the socialist system existing in Poland.

They recognize that the Communist Party is the leading force in Poland and do not question the existing system of international alliances. They shall strive to assure working people the proper means of control to express opinion and to defend their interests.

The government commission declares that the Government shall guarantee and assure full respect for the independence and self-government of the new trade unions as concerns their organizational structure as well as functioning at all levels.

The Government shall assure the new trade unions the full

possibility of fulfilling their basic function in the field of defending workers' interests to meet their material, social and cultural needs. At the same time the Government guarantees that new trade unions will not be subject to any discrimination.

3. The creation and activities of the independent self-governing trade union corresponds to the International Labour Organization (ILO) Convention Nos 87 and 98, already ratified by Poland. The activity of more than one union will require proper law. Therefore, the Government undertakes legal initiatives, particularly a law on trade unions, on workers' self-government and a labour code.

4. The existing strike committees can be transformed into enterprises under worker representation such as workers' committees or councils or as founding committees for the new trade unions.

The joint strike committee, as the founding committee, has the freedom to pick either the form of one union or to become an association in the Baltic area. The Government undertakes to create conditions to register new trade unions outside the register of the existing council of trade unions.

5. New trade unions should have the real possibility to criticize publicly decisions which undermine the living conditions of the workers, the principles of dividing the national income into consumption and accumulation, the division of funds for social consumption and for such areas as health, education and culture, for the basic principles of salaries and wage policy, and in particular of the automatic wage rise as a condition of inflation for long-term economic planning,

12. Construction of a marble plaque to commemorate workers killed in the 1970 rioting at the Szczecin shipyard.

13. Health service in Poland to be improved and better supplies of medicines guaranteed.

14. An end to "silent" price rises for basic goods.

15. Distribution of foodstuffs equally in all stores without favouritism.

16. An increase in meat supplies.

17. No Polish goods to be sold in hard currency shops unless supplies more adequate in shops for the Polish public (especially ham, which is often sold only in hard currency stores).

18. The strike situation to be explained to the Polish people.

19. More raw materials for enterprises.

20. Those who lost jobs because of strike activity between 1970 and 1980 to be reemployed after case-by-case study.

21. A special study of censorship to be completed by November 30.

22. The issue of making Saturday, normally a working day, an extra day off to be settled by December 31.

23. Reduction in the maximum waiting time for housing from the present 12 years to five years.

24. Holiday allowance to be increased by the end of the year.

25. Trade unions to be given the right to delegate workers to special educational programmes involving advanced studies.

26. Workers to get 40 per cent of their wages while on strike.



A weary Mr Lech Walesa explains the settlement.

investments and price alterations. The Government assures conditions to fulfil these functions.

Conclusions: 1. The Government shall within three months make a motion to the Parliament for a new law on censorship based on the following principles: Censorship should protect the interests of the country. It means protection of state and economic secrets as defined by law, matters of state security and important international interests, protection of religious beliefs and the expressions of non-believing people as well as halting the publication of indecent material.

The draft law will also contain a provision for suing against the decisions of the censorship board through the Supreme Administrative Court. This law shall also be inserted into the administrative code.

2. Cases of persons listed... (Edmund Zdzienicki, Jan Kozłowski, Marek Kozłowski) will be submitted to the Justice Minister, who will review the cases and if the listed persons are currently jailed will stop the execution of the prison term pending a review of the case.

The Minister will also review all temporary arrests and free the persons listed in the annex. (Referring to dissidents recently arrested in Poznań, Warsaw and Gdansk).—AP.

27. Shipyard workers' charter to be modified by the end of the year.

28. The agreement to be published by the local media and the national press agency.—AP

29. More raw materials for enterprises.

30. Those who lost jobs because of strike activity between 1970 and 1980 to be reemployed after case-by-case study.

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Deputy held in Navarre after speech

From Harry Debelius

Madrid, Aug 31.—Señor José Antonio Urbola, the vice-president of the Navarre provincial parliament, arrived here today in police custody, suspected of violating Spain's law on terrorism. He is reported to have admitted during a closed session of the provincial parliament that the coalition which he represents, Herri Batasuna (People's Unity), has the same strategy as the military wing of the outlawed terrorist organization ETA.

Señor Urbola was arrested yesterday in the capital of Navarre, as he was about to attend a session of the human rights committee of the provincial parliament—the same committee before which he allegedly made the controversial statements last week.

His arrest focused attention on the growing unrest in Navarre, a province with a divided pro-Basque and pro-Madrid population. All Basque political movements, not just the violent ones, favour the incorporation of Navarre into the new autonomous Basque region of Spain.

Conservative political forces there, however, want Navarre to seek a separate autonomy status, and they count on the support of the United States ruling party.

It is no secret that Herri Batasuna is closely linked to the ETA, and its leaders have indicated as much before in statements which were far more public than those made in a closed session of the Navarre parliament.

The arrest came after Señor Victor Manuel Arbeloa, the president of the provincial parliament, told reporters that Señor Urbola had admitted whether the principle of parliamentary immunity could be applied to the Navarre parliament, institution which has no counterpart in other provinces.

Señor Urbola's self-confessed affinity with ETA was especially annoying to those who oppose the Basque take-over of Navarre in the light of the attempted assassination by ETA last week of Señor José Javier Urrutia, the leader-in-chief of one of the province's leading newspapers.

Only a few hours before the arrest of the Navarre politician, two men firing machine-guns murdered a Herri Batasuna sympathizer in a night club in Bilbao.

The Spanish Basque Battalion, a right-wing Basque group, later claimed responsibility for the killing. The same group shot dead a member of the more moderate Basque Nationalist Party in the northern town of Iruñea three days ago.

In another incident, police shot two members of the shadowy leftist terrorist group, the Basque Liberation Movement, killing one of them and seriously wounding the other.

Police fire over jobless protesters

From Our Correspondent

Madrid, Aug 31.—Police fired live ammunition over the heads of unemployed farm workers who blocked main roads in the southern Spanish province of Córdoba, according to reports published here today.

The shooting followed clashes yesterday between members of the Guardia Civil, Guard police and demonstrators in the town of Nueva Carteya, in which four policemen were slightly injured.

The jobless farmhands were taking part in a protest called by the Basque Nationalist Party, a Basque nationalist group, to demand more government funds for small public works projects to raise the level of employment in the depressed region of Andalusia.



Mr Rudolf Oticker, a Swiss-born car dealer kidnapped in April, seen with his wife after his release in Rome yesterday.

Investigators believe they hold Bologna bomber

From Peter Nichols

Rome, Aug 31.—Investigators into the Bologna bombing of August 2 which cost 84 lives, are showing a certain confidence in their inquiries after the arrest on Wednesday in Rome of 22 people, including a well-known criminologist, frequently heard as a consultant in the Rome courts.

Hints from the investigators suggest that they believe they may have among those arrested the person who actually placed the fatal bomb in the station waiting room. All those arrested on Wednesday have connections with the extreme right that has been involved in acts of violence.

There are schoolteachers. The best-known public figure is Professor Aldo Semerari, who is 37, teaches forensic psychology at Rome University and acts as an expert witness at hearings. He is known to be of convicted right-wing sympathies.

The professor has a passion for the countryside and the raising of animals at his home at Poggio Miterno, as well as for Mozart and Beethoven. His wife is appreciated by his friends, among whom is his neighbour, Dr Fabio de Felice, a schoolteacher and former

member of Parliament for the far right-wing Italian Social Movement. He is also among those arrested on Wednesday.

All these reports make it clear that the investigators believe that the bombing to have been planned by Rome's neo-fascists.

There are reports that the bombing was planned by a group of right-wing prisoners in a Rome jail. According to the version ascribed to a prisoner who is said to have chosen to give evidence, it was intended to mark the 20th anniversary of the wrecking of the Italicus express train by terrorists of the extreme right.

What appears increasingly well-founded is that the activities of the extreme right were being gradually revealed before the Bologna bombing through the inquiries of Signor Mario Amato, the investigating magistrate, murdered on June 23.

Signor Renato Zangheri, the Mayor of Bologna, yesterday clarified the proposal of the municipality to help the orphans of the massacre and injured children in their future careers. They could not be adopted in the judicial sense, he said, but: "We consider them our children and we shall help them until the point of finding them a job."

When they headed towards the city housing department offices, the police blocked the streets.

After the demonstrators regrouped at the Bellevueplatz, obstructing traffic, the police brought in water cannon and fired rubber bullets and stink bombs. They did not use tear gas because of the immediate proximity of a circus with performing animals. Injuries were reported on both sides.

Sporadic clashes in which cars were damaged continued until early today.

In Rome some 50 young people were arrested on Thursday night during a demonstration in support of their demand for an autonomous youth centre. They were freed the following morning.



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All winners, no losers at the Gdansk armistice

Gdansk, Aug 31.—"We have not achieved everything, but we have achieved a great deal. We are able to achieve in the present circumstances," Mr Lech Walesa, the Gdansk strike leader, told widely cheering crowds here today after signing the back-to-work agreement with Mr Jerzy Janowski, Deputy Prime Minister.

"We have got independent, self-governing trade unions and we have won the right to strike."

Mr Janowski announced that the state prosecutor had been instructed to release from detention all people on a list presented by the strikers earlier today. He had received assurances they would all be freed by noon tomorrow.

The list included Mr Jacek Huron, Adam Mikulski and other leading demonstrators who had been arrested the strike effort.

The minister and the strike leader addressed the 700 strikers' delegates from the

Honecker overture to W Germany

Leipzig, Aug 31.—Herr Erich Honecker, the East German leader, today called for a new expansion of relations between East Berlin and Bonn, brushing aside difficulties caused by the recent postponement of a summit between East and West Germany.

At the Leipzig autumn trade fair Herr Honecker spoke to West German officials and industrialists about the future of political and economic links.

Herr Gunter Gaus, head of the West German mission in East Berlin, said the East German leader had said he saw "whole new horizons" opening up for ties between the two states in all fields.

The talks were the first high-level contact between the two countries since Herr Helmut Schmidt, the West German chancellor, called off a meeting with Herr Honecker because of tension caused by strikes in Poland. Today Herr Honecker said the postponement would cause no damage to relations.

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Reuter.

Szczecin agreement may be model for others

Szczecin, Aug 31.—The newspaper *Szczecin Kurier* published a list of the points in the strike settlement in Szczecin that observers thought could be a model for separate agreements across Poland.

The Szczecin agreement was said to cover all important disputes. It provided for:

1. Creation of self-governing trade unions of a socialist character according to the Polish constitution. Strike committees would become new worker commissions and would prepare elections to the new trade unions.

2. A special government programme to be carried out by December 31 on prices and availability of supplies.

3. Pay rises to be granted, with emphasis on the lowest paid workers.

4. Retirement benefits to be raised by January 1, 1981.

5. Workers disabled at work to get the same pay even if forced to take a lower-paid job.

6. Women with babies may stay at home for three years, as under the present law, but will be compensated during the entire period.

7. Family allowances to be raised to the same level as militia and army family allowances and be received in three instalments, the first on January 1, 1981.

8. Final Act of the Helsinki accords to be published as well as the United Nations Charter on Human Rights.

9. No prosecutions against workers for strike activities.

10. No reprisals against political activists if they do not violate "Socialist principles".

11. Dialogue between the Church and state to be expanded and more access for the church to the news media.



Plenty to see

Although the real business is done on the exhibition stands and in the company hospitality chalets, the Farnborough show has always been synonymous with aircraft as far as the general public is concerned, and there will be plenty to see this year.

More than 100 machines of widely varying types, from small single-seater fighters to the 300-seater European Airbus, are to be present, either in the flying display each afternoon or in the static park. The account will be strongly on military aircraft, as the United States Government ban on the showing of such types abroad, which affected the 1978 show, has been withdrawn this time.

As a result, United States military aircraft manufacturers are sending over an impressive list of their products. They include the A-10A Thunderbolt II "tank-buster", in effect a flying heavy-calibre cannon, and designed for low-altitude operations over the battlefield; representatives of the new generation of fighters in the F-15, the F-16 and the F-18, the developed version of the British Harrier jump-jet fighter, and the A-7E, and possibly a Boeing AWACS early warning radar aircraft and an F-111 fighter-bomber.

But although the United States will be displaying its military might, the aircraft industries of Britain and Europe will not be outdone. British Aerospace, for instance, will be showing for the first time in public the airborne early-warning version of the Nimrod, with its bulbous radar pods at the nose and the tail, while the air defence and strike versions of the Tornado (which Britain makes with West Germany and Italy) will be on parade.

In addition, BAe is to show a large proportion of the many other types, both civil and military, which it produces. These include the tactical strike version of the Anglo-French Jaguar and four Sea Harriers as developed for the Royal Navy.

One of the stars of Farnborough this year is likely to be the French Dassault-Breguet Super Mirage 4000, which made its first flight last year. Dassault will also be sending over two prototypes of the Mirage 2000, a 1,400 kg fighter, and the Mirage F1. Microturbo, another French company, is proposing to display its tiny two-seater Microjet 200, while Aerospatiale intends to show

Arthur Reed
Air Correspondent

continued on next page

Farnborough International '80, the twenty-fourth aerospace exhibition and flying display organized by the Society of British Aerospace Companies, opens today against a background of heightened international tension and economic recession, both of which factors are having a profound impact on the business of the manufacturers of aircraft, aero engines and aviation equipment around the world.

Defence spending is up. Tornado bombers which are at the same time the beginning of the commissioning of new civil aircraft has gone into decline. Aerospace does not necessarily benefit from increased defence expenditure, and Britain provides a classic instance.

Largely in support of the high-tech attitude of the West since the Soviet invasion of Afghanistan, the British Government announced within two days of the July 20th order for 1,300 worth of new tanks and other ground-based weapons for the army, and a 5,000 investment in the Trident 1 submarine-borne strategic missile system to replace the aging Polaris in the 1990s.

How much money did that save for new military aviation in Britain? Very little, seems. Funding for what is to be Britain's next fighter-bomber — a programme which, with European partners such as West Germany and France, could run to as many as a thousand aircraft over a long period — has been reduced to a trickle. The industry is increasingly worried that it could dry up altogether.

AST 403, as this project is called, is well along its design path within British Aerospace. A great deal of progress has been made by consortium of three of the big British aviation electronics (avionics) companies towards defining very advanced systems which would enable it to find its target in the worst weather and to strike it with a high degree of accuracy with the advanced weapons of the future.

About 1,000 highly-skilled British avionics experts are likely to find their jobs affected in the long term if AST 403 is put "on the back burner". Its place could be taken, it is being suggested, by diverting some of the

Two of the main reasons why AST 403 has been on the drawing-board so long without any decisions to go ahead with it are progress within the Ministry of Defence and the impossibility of obtaining agreement between the potential partner nations on a common specification and in-service data. The manufacturer, British Aerospace, is at Warton, Lancashire, in the summer, and the third is due to fly this autumn. AD1, the first prototype ADV, which has been involved in handling and flutter trials, will be one of three Tornado aircraft to be demonstrated at this Farnborough show. It will be the first time that it has been seen in public.

Prototype AD2's maiden flight from Warton had a special significance in that it was carrying for the first time the avionics system developed for the ADV version. That this system had taken eight years to develop demonstrated the vast

amount of skill and effort which goes into a radar for such advanced aircraft as the Tornado or the AST 403. The management, design and development of the Tornado avionics have been the responsibility of EASAMS, a member of the GEC-Marconi group of companies, which began work on the system for the interdiction/strike (IDS) version of the aircraft as long ago as 1968. A contract was awarded in 1972 by the Ministry of Defence to study the feasibility of adapting the IDS avionics system to an interceptor role.

The avionics as developed for the ADV version of the Tornado will give the crew a display of the tactical air picture, target selection for attack, and attack steering and fire control for the four Sky Flash, two Sidewinder 9L missiles and the Mauter gun which each aircraft carries.

ADV Tornado will also be equipped with a jam-resistant digital data link enabling its airborne computer to pass and receive data to and from ground and airborne command posts.

While Europe continues to argue over AST 403, the United States has the new generation of fighters, from the Grumman F-14, with its swing wing and its six Phoenix missiles able to select targets in order of priority at up to 200 miles away, to the F-18, well advanced. The Russians have their new generation of fighters and bombers, such as the Fencer and the Backfire, in service.

In the civil sector of world aerospace there has been a dearth of orders for wide-bodied airliners so far this year, in contrast with 1979, which was one of the great boom years for this part of the industry. Against a background of steeply rising fuel costs, higher fares and stagnant traffic, few manufacturers will be brave enough to announce new air-

liner projects during the coming months, while there is a lack of any haste to develop existing types.

Boeing, the leading manufacturer on the West Coast of America, is actually cutting back slightly its previous output of one airliner each working day. Airbus Industrie, the European consortium making and developing the European family of wide-bodied airliners, is increasing its output on the basis of last year's orders, but from a small base compared with that of the Americans.

The aircraft market is less gloomy at its lower end, with business jets and aircraft for the "third-level" airlines continuing to sell well after the relaxation by the Americans of their regulations limiting the number of passengers which may be carried in commuter aircraft. Short Brothers' 360 project, carrying 36 passengers, is a brave new entry.

Farnborough International '80 provides an appropriate and timely meeting point for a world industry which is at a watershed. The costs of exhibiting at the traditional site have once again soared, leading to a body of opinion within the industry to consider whether shows might not be moved to one of the new exhibition centres, perhaps Birmingham. There the industry's wares could be laid out just as comprehensively as at Farnborough but at a fraction of the cost. The flying, which is mainly for the benefit of the public, could be transferred separately to another airfield at another time of the year.

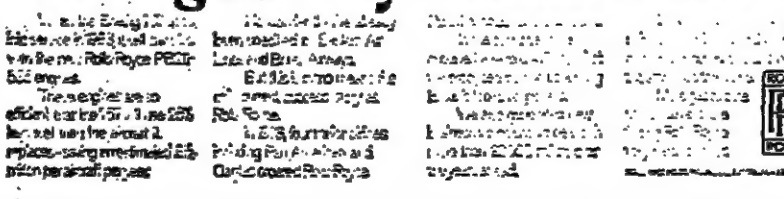
This debate will continue, but meanwhile Farnborough '80, bigger than ever, with 350,000 sq ft of exhibition space and 250 company hospitality chalets, provides a superb shop window for the industry's wares.

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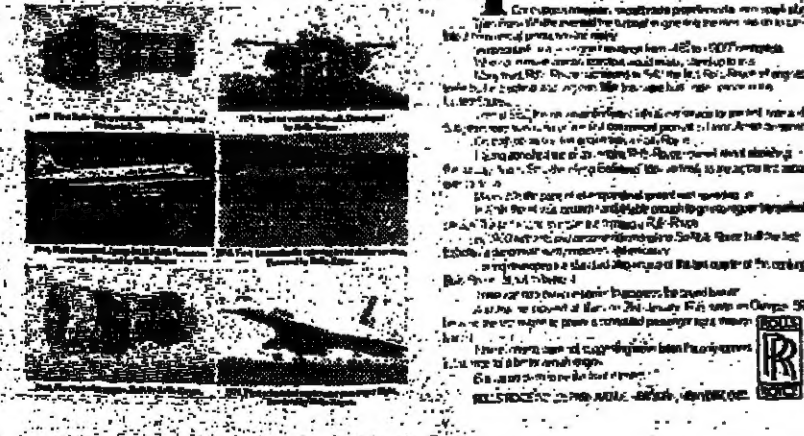
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Meanwhile, back at the drawing board...

Manufacturers face a vital decision on successors to the A300 and A310

Big or small airliners: Europe's option

Airbus Industrie, the European consortium of aerospace manufacturers which is developing the A300 and A310 wide-bodied airliners, has an important decision to make in the near future—what size of airliner should follow these two successful projects?

It is vital that Airbus makes the correct decision, for not only will hundreds of millions of pounds of development money hang on it, but Europe's contribution as a serious rival to the major manufacturers in the United States will also depend upon it.

Europe has the option to go big or small with its next airliner, and Airbus has already completed a great deal of research in both the technical and market sectors to make sure that the right path is followed.

The options are: a stretched version of the A300B4, the A310, with 310 to 350 seats grouped around two aisles which should have significant economic advantages over existing tri-jet airliners, such as the McDonnell Douglas DC10 and the Lockheed TriStar; the A311, a 210-seater with up to four engines designed for long-range routes; and the A312 (single-aisle) which carries between 120 and 160 passen-

gers to replace narrow-body short-to-medium-range airliners.

About 18,000 workers are employed in Europe on A300 and A310 production, but this figure will rise over the next few years as production is increased to match the bumper order book which came in during 1979. The partners in the consortium are Aerospatiale (France), MBB and VFW, united in Deutsche Airbus (West Germany); British Aerospace (with a 20 per cent share, and responsibility for the production of the wings of both aircraft types) and CASA (Spain). In addition, Fokker (Holland) and Belairbus (Belgium) are associate members. Between them these European companies have a workforce of about 160,000.

A total of 35 world airlines have either ordered, or taken out options to buy, more than 400 Airbus of both types. 200 of the sales and options coming in during the past year.

AI claims that this was about 25 per cent of the world civil aviation market. The consortium makes the point that the 35 airlines which have ordered have conservatively estimated need for well over 800 Airbus of the existing types. It adds: "We are

determined to go beyond that and still increase the number of our customers and thus the sales potential."

Sales so far this year have slowed considerably as the recession and inflated fuel costs have begun to affect the airlines' economics, but one significant sale achieved by AI was to sell the Airbus to Kuwait Airways. This was its first major sale to a Middle East airline, which had traditionally bought United States aviation products, and AI is now hoping that others in the same area will follow Kuwait's lead.

With AI expanding on the back of its sales success, is there room for other big civil aircraft projects in Europe? Fokker, the small but dynamic Dutch company, which recently completed its breaking away from its erstwhile West German partner VFW, thinks so, and continues to promote a plan for a 160-seat twin-jet airliner, the F29.

Fokker would want finance and technical partners for the F29 and continues to try to bring in the Japanese.

On the military side, old alliances are beginning to break up, as projects like Jaguar come to an end, and new ones are about to be

formed to develop aircraft such as the next European fighter. In spite of all the drawbacks to international collaborative projects—the higher costs, the longer time to become in-service—European nations continue to flirt with the premise as the only way of sharing out the formidable development costs and of getting a sufficiently large production run to make the project worth while.

The military in each country believe that with two, three or more countries involved, it becomes increasingly difficult to cancel a project once the original agreement has been signed.

The truth of this has been proved by the Tornado swing-wing strike/interceptor aircraft, being made jointly by Britain, West Germany and Italy, which has survived crises to the stage when the first aircraft has recently gone to an RAF airfield in Britain for the start of tri-nation training.

What has emerged from the Tornado programme is an expensive, but highly effective aircraft, international cooperation having been proved once more, as in the case of the Anglo-French Concorde supersonic airliner programme, to produce an advanced level of

technology as each nation's experts scrutinise and sometimes improve upon the efforts of their foreign colleagues.

These are the big European projects which have produced a startling improvement in the aerospace industry of the Continent, although at no little cost to the taxpayers, over the past 15 years, but there are also numerous smaller international deals proceeding about which little is heard.

Aerospatiale of France and Aeritalia of Italy for instance have just signed an agreement to develop jointly a commuter airliner with between 40 and 50 seats to enter service at the beginning of 1985. SAAB of Sweden is building part of the tail of the British Aerospace 146 airliner as a subcontractor. Short Brothers, of Belfast, makes parts for Fokker, as well as for the big United States manufacturers Boeing and Lockheed.

West Germany and France have jointly developed the Alpha jet advanced trainer/light attack aircraft, while British and French companies have supplied equipment for the Orca fighter, a joint project between Yugoslavia and Romania.



On a test flight from the British Aerospace airfield at Warton, Lancashire, the first prototype of the air defence variant of the Tornado, being developed by Britain, West Germany and Italy, carries four Sky Flash missiles under the fuselage. The version is being developed especially for the defence of Britain.

Secrecy makes Soviet motives suspect

Farnborough has yet to be patronized by an official Soviet exhibit, as the Paris show regularly has been. The British display is always well attended by Russian technicians, ferried over with cameras and tape-measures, and many an airliner shape first revealed at one of the European shows has some years later been closely reproduced by the Illyushin, Tupolev or Antonov designers. Examples are the 1162 (VC10), 1166 (A300), Tu144 (Concorde), Tu154 (Trident), An24 (F27).

Although the Soviet industry has tended to follow the West in airliners, innovation in military design has been creative and even spectacular. Three combat types took the technical armaments initiative: MiG25 (Nato code-name Foxbat), Sukhoi Su19

(Fencer) and Tu26 (Backfire). These are among the most formidable fighters and bombers in the world.

In the associated industries of space and guided weapons, the Soviet Union has taken initiatives which have put constant pressure on Western defence spending.

The quality, quantity and variety of Soviet military aircraft and missiles have long been the subject of warnings by American and Allied service chiefs and political leaders. A side which conceals its arms must have suspect motives, and Soviet embassies can learn more about Western military aircraft and missiles from *Flight*, *Aviation Week* and the *Times* than a thousand spies or satellites can discover about Soviet equip-

ment, the makers of which can easily fool a reconnaissance satellite by rolling out the sun is not on the Tupolev works at Kazan.

Backfire comes from the Tupolev design team, which has a strong tradition in bombers as well as in transport aircraft. Backfire is a successor to the air-twin Tu22 Blinder, first seen in 1961 and the first operational Soviet supersonic bomber. Backfire was designated Tu22M for the Salt negotiations, presumably so that the Americans would believe it to be a medium-range, non-strategic modification of Blinder.

It is very different, being a big swing-wing Mach 2-plus bomber more in the class of the class than a thousand spies or satellites can discover about Soviet equipment, the makers of which can easily fool a reconnaissance satellite by rolling out the sun is not on the Tupolev works at Kazan.

cancelled by President Carter.

The Mikoyan MiG25 Foxbat is a Mach 3-class fighter which has been in service for about 10 years. It was an aerodynamic trendsetter, precipitating an outburst of American design activity which produced the similarly twin-engine, Grumman F14, McDonnell Douglas F15 and McDonnell Douglas/Northrop F18.

Foxbat is from the same stable as the MiG21, one of the world's classic supersonic fighters. The MiG21 (code-named Fishbed) has almost certainly outnumbered each of the two most successful American supersonic fighters, the McDonnell Douglas F4 Phantom and the Northrop F5. The MiG21 is a multi-role fighter, with variants for all missions from

high interception and dog-fighting with Aroll guided missiles, down to low-level ground-attack. Export versions equip air forces of the Communist block and of neutrals such as Egypt, Finland, India, Iraq, Sudan, Syria, Tanzania and Yugoslavia.

Foxbat has not been exported for certain. It is primarily an interceptor and reconnaissance type. A defecting Soviet pilot gave the West its closest look at a modern Russian military aircraft: when in 1976 he flew a Foxbat to Hakodate in Japan. The electronic weapon-aiming radar and navigation equipment was found to be inferior to contemporary western systems, and this insight into the unseen sector of the Soviet in-

dustry was particularly informative.

Two other MiGs, the MiG23 and MiG27 Floggers, have been replacing the MiG21. The Flogger is a swing-winger, extending the MiG21's multi-role versatility. MiG23's have been exported to many MiG21 air forces.

The Soviet aircraft industry has internal competition, with Mikoyan designs measured against Sukhoi's. The most formidable is the Su19 Fencer, a swing-winger in the American General Dynamics F111 category. It is the aircraft which would probably be the first to test NATO and United Kingdom defences in any war. RAF experts say it has the fuel and payload to make a nuclear low-level strike against Bri-

tish targets from East European bases.

The Su11 and MiG21 are usually similar, while the swing-wing Su17 to Su20 range complements the MiG23 to MiG27 series.

The Russians excel in helicopters, having led the world in weightlifting with the Mil Mi24. But the Russian rotor which is most seen on Western television screens is that of the Mi24 Hind gunship, assault and anti-tank helicopter which has been operating in Afghanistan.

Soviet airliners are less veiled in secrecy, but their export potential has been highlighted for Aviaexport (the official sales agent) by the lack of technical data on which Western airworthiness certificates can be issued. The Soviet Union is a member of the International

Civil Aviation Organization, but does not comply with its safety-data recommendations.

There is a surprising omission from the comprehensive suite of Aeroflot airliners: there is still no widebody (twin-aisle) airliner in service 11 years after the Boeing 747 first carried passengers. Ilyushin's big I136 seats 300 to 350 and is in the same class as the European Airbus but with twice the number of engines (four). It has been on test for four years and was due to be in service for the 1980 Olympic games.

This aircraft and its 12-tonne Kuznetsov turbofans spotlight the Soviet industry's most mysterious deficiency: its inability to develop a 20-tonne to 25-tonne turbofan in the class of the West's JT9D, CF6 and RB211.

The Russians have beaten the Americans' manned speedflight endurance records with the Salyut and Soyuz spaceships and they are highly competitive in guided missiles, having the strategic SS17, SS18 and SS19 besides a full range of army, naval (including submarine strategic) and airborne weapons for every kind of target.

Yet there exists this extraordinary engine-design deficiency, which may account also for the decision to abandon the Tu144 supersonic airliner ("Concorde") after serious problems of fuel-burn and component-life with its Kuznetsov turbofans.

J. M. Ramsden
Editor, *Flight*

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Helicopters

The successful association with Aerospatiale of France in the production of Lynx, Gazelle and Puma has led to orders of nearly 2,000 helicopters. This partnership continues.

An Anglo-Italian company has been formed with Agusta to develop the EH101, a new helicopter to replace the Sea King worldwide. Westland WG30, civil and military transport helicopter based on Lynx technology, is in production.

Hovercraft

British Hovercraft Corporation is a Westland company setting new standards of speed, comfort and passenger appeal with Super 4. In service with British Rail Seaspacer, Super 4 hovercraft can carry up to 60 cars and 416 passengers across the Channel in half an hour at speeds of up to 65 knots. In 1980 one in three passengers and cars will cross the short sea routes to France by British Hovercraft. Over 60 British Hovercraft have been delivered worldwide.

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Normalair-Garrett in the UK, Australia and Singapore, is a rapidly expanding company in the Westland group supplying mechanical, hydraulic, pneumatic and electronic control systems for Aerospace and defence programmes in Europe and the USA.

Normalair-Garrett supplies life support equipment and environmental control systems for the Tornado, Hawk, Harrier, McDonnell Douglas AV8B as well as the British Aerospace BAe 146 feeder liner. The advanced digital maintenance recorder for the U.S. F-18 Hornet is in production.

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Aerospace industry spreads to new manufacturing countries although worldwide trade recession is gnawing at traffic profits

US and Europe no longer enjoy production monopoly

Countries such as Israel, Brazil, India and Australia are not generally thought of as aerospace producers, but each has developed its industry over the past few years to the extent where they are entitled to receive more than just a passing nod of recognition from the big companies in the United States and Europe.

Brazil has had a particularly impressive success with its Bandeirante twin turboprop, well over 200 of which have now been sold to operators all over the world. In its commuter version, the aircraft carries 21 passengers over a range of 1,190 miles at a cruising speed of 224 mph,

but it is also being produced in 11 other forms, including those for military transport, aerial photography, executive transport and maritime patrol.

Embraer, the Brazilian manufacturer, is also producing a pressurized six-seater twin turboprop, the Xingu. This has a range of 1,300 miles and a top cruising speed of 300 mph and, like the Bandeirante, is being developed all the time.

For such a small country, Israel has a remarkably active and advanced aircraft industry which produces both military and civil aircraft, in addition to carrying out a great deal of overhaul. Israel Aircraft Industries' (IAI) Kfir fighter, based on

the airframe of the Dassault Mirage 5, but heavily modified, and using an American General Electric J79 turbojet, has been in service with the Israeli Air Force for five years or more, and the company is reported to be developing a successor.

In the civil/military sector, IAI produces the Arava twin-boom, twin turboprop transport (and has had some export success with it), and the Westwind twin jet, the latest version of which is used for naval support and coastal duties by the Israeli Navy.

India has concentrated largely on building under licence aircraft, both civil and military, which have been developed by other,

more-advanced aerospace nations, but in doing so has built up a considerable design capability of its own which will be used in the future to develop indigenous projects.

The Anglo-French Jaguar fighter has recently been sold to India, and part of the deal was for the Indian aerospace industry to make a part of the order in its own factories. Similar deals were carried through in the past on the British Conqueror trainer/fighter and the British MS 748 40-seater airliner/military transport, while the industry in India also produced a series of versions of Soviet MIG fighters for use by its own air force.

Indonesia is another country which is seldom considered as a contender in aerospace production, but it is making, under licence from Spain, the CASA C-212 Aviocar, a 16-seater light commercial transport. The output rate is one a month, rising to two a month, and it is planned to have produced more than 80 by 1982.

Indonesia also builds the BO 105 helicopter, under licence from the West German company MBB. A number of these aircraft are now in service with the Indonesian army and navy.

Although China is always forecast as being about to make an enormous expansion of its aerospace industry, progress towards this appears to have slowed considerably in the past few

years as the Chinese have become short of funds, and as they attempt to digest the large amounts of technology which they absorbed during the 1970s.

China's most important aerospace project is the development of fighters based on the MIG series, the latest of which is the Shenyang F-12. This reportedly looks for its part in the Soviet MIG 23 Flogger fighter/bomber, but will be powered by twin Speys built as a result of the deal which the Chinese struck with Rolls-Royce to establish a jet engine factory outside Beijing.

The Chinese are also reported to be making their own four-jet airliner, a copy of the Boeing 707. But it is thought that this is purely meant as a research project, and not as an aircraft which will be put into service. For that purpose, the Chinese airline CAAC has a fleet of Western airliners, including Boeing 707s and 747 jumbos, from the United States. But their interest in how aerospace works and can be developed is insatiable, and was remarked upon by all those who attended the successful trade exhibition which was organised by the Chinese last year by the Society of British Aerospace Companies. Although slow to make progress, the Chinese could become one of the world's foremost aerospace manufacturers in the decades ahead.

Several of the Eastern block countries have their own aerospace industries, but whereas most of them lean heavily upon the Soviet Union for design, Russia has looked to the West for the manufacture of British Norman Islander light airliners under licence from the company on the Isle of Wight (two owned by the Swiss company Pilatus) and, and it recently concluded a far-reaching deal with British Aerospace to produce BAC 1-11 airliners both for its own use and for export.

Through Government Air-

craft Factories (GAF) Austria has a small but thriving aerospace industry, the main product of which is the Nomad, a 17-seater, twin turboprop airliner. Parts and spare parts versions have also been produced, and a version with an extended fuselage was recently completed. The Nomad has a range of just under 1,000 miles and a cruising speed of 170 mph.

Argentina produces a range of light aircraft, but moved into the twin turboprop class with the Tucumán. This was designed as a counter-insurgency machine for service with the Argentinian Air Force, which has a long-term requirement for 100. Top speed is 310 mph, and its maximum range 1,900 miles. It carries two 20mm cannons and four machine guns, in addition to a load of 3,000 lb of bombs, rockets or missiles.

Arthur Reed

Open skies close price control

The world's airlines are experiencing a period of intense competition. Oil prices have risen, the price of aviation fuel has doubled, and the price of other airline costs are now being boosted by inflation catches up with oil.

A world-wide recession is gnawing at airline traffic and profit margins. Added to these familiar woes is a new factor—deregulation, which has brought in its wake pressures on the world's airline industry to reduce fares, often on routes which have been making losses already.

Deregulation was a result of President Carter's "open skies" policy which promised to usher in an era of free competition between the United States and low fares for American travellers at home and abroad. Domestic airlines, which have been making losses already, are now being forced to compete with foreign airlines, which are probably the cheapest suppliers of transport in the world. A pressure has been growing lately for changes in the tightly controlled European air civil aviation system.

Can the process be repeated in Europe? Scheduled air fares in Europe are much higher than in the United States (although European chart airlines are probably the cheapest suppliers of transport in the world). A pressure has been growing lately for changes in the tightly controlled European air civil aviation system.

Sir Freddie Laker weighed in with a proposal for Skytrain services joining every major city in Europe. British Caledonian has coped with very low off-peak "mini-price" fares proposed on European routes. A British Airways is trying to persuade the major European flag carriers to agree to the abolition of first-class seating and the provision of more low-fare seats.

All these initiatives have originated in Britain, apart from Laker, none of them anticipates the central problem of pricing in a free market.

Sir Freddie Laker has a law that he will use EEC law to force approval of his proposals. In theory, the EEC exists partly to promote free and unfettered competition between industries in the Community. The practice rather different, and transport is probably outside the scope of Community law.

At the moment, the British flag carriers do not want to be forced to do so. The political climate which backs them up, it will be years of patient effort to convince other European governments that air transport is mature enough to allow airlines to compete like the carriers do.

Before that happens, the airline industry will have to cope with the more immediate problems of a free market. This means that the success of airlines in Asia, which is the fastest-growing air transport market in the world, will be a test case for the industry.

Prices have now stopped rising at last year's breakneck pace, but fuel is still the largest single item in the airlines' costs.

This has given rise to a dilemma for many airlines. They would like to buy in bulk, but this would mean that they would have to burn less fuel for every passenger carried. But the recession means that profitability is not as clear as it once was.

Low fares and recession: forcing the airline industry to cut investment and lay staff. For the airline industry, the next two years will be a testing time. Lines are going to be more choosy about what aircraft they buy and they will not be as extravagant as they were last year when they ordered more than 700 machines.

More than a dozen airlines now ply routes between London and the United States and more will join them in the next four years, as more

A. R. Flight International



The big airliner sales battle at the moment is between the European A310 Airbus version and the Boeing 767. The big Trans World Airlines order was won by an extremely narrow margin by the Boeing aircraft.

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Where the horizon starts

Airports have severe traffic problems and aviation industry faces a period of retrenchment

Bursting at the seams with passengers

Interminable queues and stifling congestion earn many an airport a bad name with the travelling public. London's Heathrow is perhaps the airport that British travellers most love to hate, but there are many others around the world that are shouldering a traffic burden far heavier than anything for which they are designed.

In the United States, Hartsfield International Airport at Atlanta—the world's second busiest after O'Hare, Chicago—has been making do with a terminal designed for fewer than 17 million passengers a year while its traffic has shot up to more than 40 million.

Nearer home and on a smaller scale, the 1930s-vintage terminal at Birmingham, with some extensions built in the early 1960s, is bursting at the seams with 1980 peak-hour traffic.

Relief for all three airports is on hand, though rather sooner for Atlanta than for the other two. At the American airport a \$300m terminal for 60 million passengers a year is due to open later this month. It will be something of a show-piece.

"People-mover" trains will shuttle passengers underground to and from the aircraft boarding areas, the farthest of which is about a mile from the check-in point. Baggage will be conveyed on computer-controlled trolleys running on tracks in the underground tunnel, and once an operator has entered the destination of each bag on a keyboard-sorted automatically.

On the apron, electric tractors capable of handling large aircraft will be seen for the first time in routine operations.

At Birmingham, ministerial approval has recently been given, after a public inquiry, for a new terminal on the opposite side of the airfield, near the National Exhibition Centre and Birmingham International railway station. It is expected to open in 1984, and to offer sufficient capacity until 1990 (2,800,000 passengers a year).

Here too, a "people-mover" system, to connect the terminal with the railway station is being considered. The airport would like to install the British-designed Maglev magnetic-levitation

system if finance for its further development can be found.

Heathrow's congestion relief comes in the form of Terminal 4, which will take the capacity of the airport from 30 million to 38 million passengers a year. Although approved by the Government last December, it is still subject to local authority approval and cannot be ready before April, 1985. As the British Airports Authority says, Heathrow faces "severe overloading" in the meantime.

Heathrow must be seen in the context of the airport system for south-eastern England. Publication of the Government's airport policy last December did much to end the years of uncertainty, but the planning process still has a long way to go. The inquiry into a second terminal at Gatwick has recently ended, but those for Stansted have yet to begin.

With the possibilities of building new airports so restricted, at least in the industrial countries, the main thrust of planners' energies is directed towards handling the maximum amount of traffic on the existing sites.

Heathrow already does well in this respect (too well, some harassed travellers might argue). It handled 28 million passengers last year on a surface area of 2,800 acres. Only airport in Paris handled 14,500,000 with an area of 3,800 acres. Atlanta, with its 42 million passengers last year, has an area of 3,900 acres, from which the airport authority was able to allocate 378 acres for this new terminal complex.

The area of Gatwick is 560 acres; passengers last year totalled less than nine million, but the British Airports Authority aims to accommodate 25 million a year from 1991, after building a second terminal, and providing an emergency runway to supplement the present single runway.

Such an ambitious target will be obtainable only through airlines increasing use of wide-body aircraft, and the runway of an airport, and the air traffic control arrangements in surround-

ing airspace, that determined the amount of traffic that an airport could take. The maximum number of landings and takeoffs an hour on a runway varies little whether the aircraft are large or small and seat 500 passengers or five, although it is somewhat affected by the need to allow greater separation between a large aircraft and the one following it, because of the turbulent wake generated.

It follows that with increasing use of large aircraft the number of passengers arriving or departing in an hour can also increase. The average number of passengers on each scheduled flight at Heathrow has risen from 52 to 104 over the past 10 years, a trend which is reflected throughout the international air transport industry. As a result, the capacity of the passenger terminals, not of the runways, has become the critical factor at most airports.

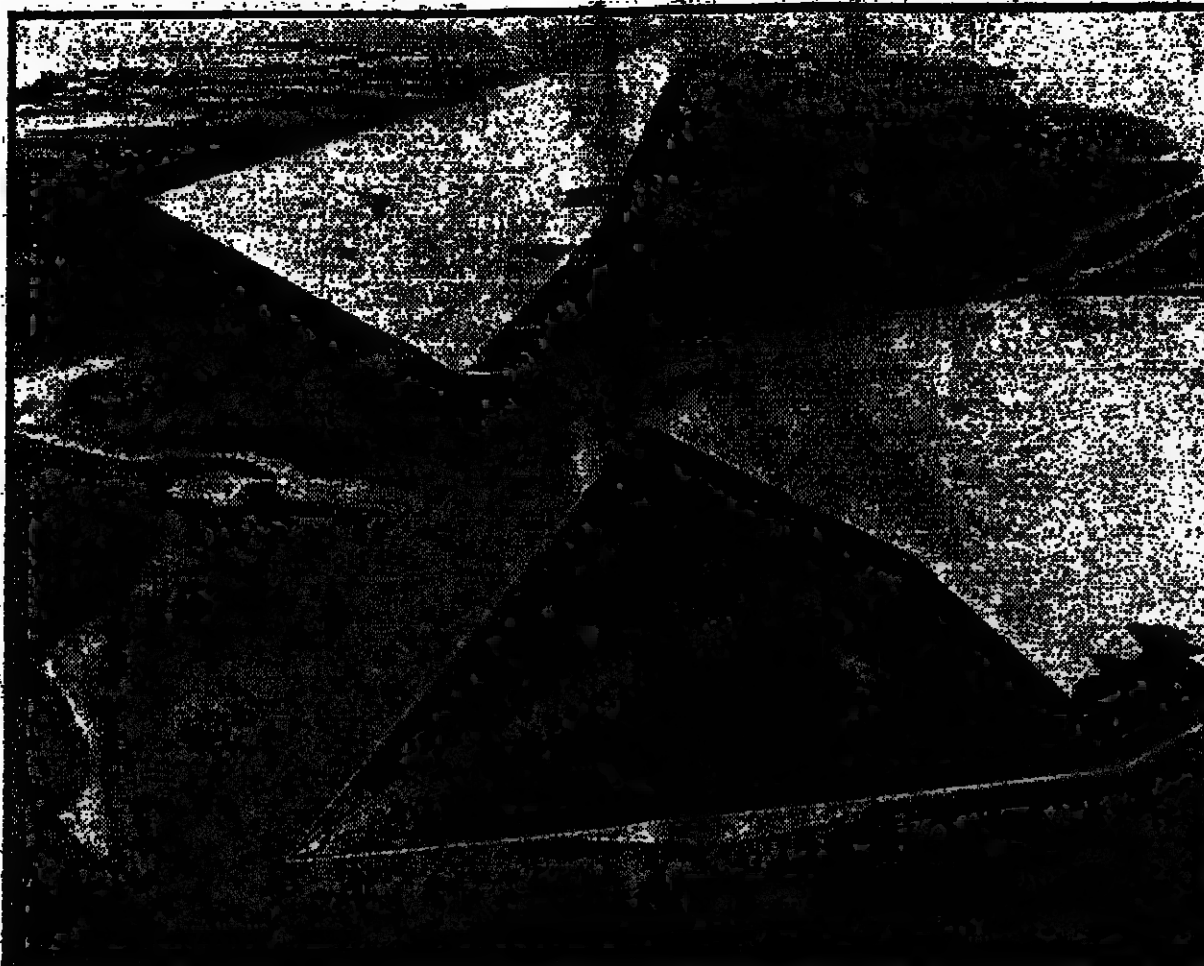
Although the basic appearance of an airport may change little in the next 20 years, advanced systems will be used increasingly. Automation of a passenger or cargo-handling process has its dangers, because a breakdown may bring the whole airport to a halt. That lesson was learnt painfully: notorious failures included a baggage-handling system in West Germany and a "people-mover" in Texas—and for a time airlines and airports trod warily.

Automation is being increasingly accepted, however. Gatwick is to have a "people-mover"—bought, against criticism, in the United States because of the manufacturer's record for reliability in actual airport operation.

Perhaps the greatest potential for the computer is in passenger and cargo handling. Already, airlines reservations systems are automated, while the automatic printing of tickets is being introduced, and will be complemented by computer calculation of fares; eventually the whole process will be initiated by the passenger inserting a credit card in a slot.

David Woolley
Editor
Airports International

Emphasis will be on improving existing types



The period between this show and the next Farnborough, in 1982, will be one of retrenchment for aviation. With a world shortage of funds for newer and bigger aircraft, developments will be centred around existing types and in "under-the-skin" improvements in equipment, and particularly aviation electronics.

A RAC 1-11 airliner of the Royal Aircraft Establishment, Bedford, which is at the show, points the way. Those fortunate enough to see inside the flight deck will find the traditional instruments on the left-hand or captain's side removed and replaced with a range of cathode ray tubes on which the essential information that a flight crew needs is displayed.

This is the British advanced flight deck, to the design of which Smiths Industries has contributed heavily, and it is certain that within a few years all new aircraft will be fitted with television tubes to carry flight-deck displays.

Among the many other systems in which Smiths is involved is one which monitors the health of jet engines. This has already been ordered by the Ministry of Defence for use with the Hawks of the RAF Red Arrows aerobatic team. It calculates, through a micro-processor, the wear to which the main rotating parts of the engine have been subjected during each flight.

Miniaturisation of avionics has taken enormous strides over a very short time with the result that flying in the future will be far more precise and much safer. The central computer carried on board the Nimrod airborne early-warning aircraft, the first of a fleet of 11 which is scheduled to go into service with the RAF in 1982, is about the size of two shoe boxes, but as a senior RAF officer said recently: "Only 15 years ago, to put a system of this complexity and performance into the air would

have needed to put wings and engines on something the size of Wembley stadium to carry it."

Nimrod and its partner in Nato, the United States airborne early-warning system, based on the Boeing 707 airliner, are good examples of the manner in which advanced avionics are playing an increasingly important role in the development of aviation. The Marconi-manufactured system in Nimrod will see 200 miles beyond the horizon, by way of two large radar scanners in the nose and tail of each aircraft.

Any approaching enemy bomber would be seen when still hundreds of miles out. Its thrust engines could be flashed from the airborne control room in the Nimrod, with its six operators sitting in front of radar screens and banks of push buttons, to scramble fighters and alert anti-aircraft missile crews.

On the civil side, advanced avionics will take more of the workload off flight crews as aircraft become larger and carry more and more passengers. Inertial guidance and flight management systems, already flying, wide-bodied airliners with high accuracy over stage lengths of many thousands of miles, will become even more complex. Not only will such developments enhance safety, but they will also help airline managements at least to keep pace with increasing cost of fuel.

Although no country can now afford to launch a new wide-bodied jet airliner, there will be much enlarging of current types between now and the next Farnborough show. Airlines, under pressure from inflation, generally, and particularly inflated fuel prices, will want to pack increasing numbers of people into their liners.

After the interest of Swissair, Boeing has recently agreed to extend the upper deck of its 747 jumbo, which will be fitted with the new generation of quiet engines which are being developed to meet stringent noise regulations to be applied internationally from 1985.

Bombardier's being produced in 20 years' time may look like this artist's impression for Boeing. The company says that the aircraft would be difficult to detect by radar because of its thin profile. Its engines, sunk into the wing, would give out only low infra-red signatures.

The main thrust among the world's airlines during the years immediately ahead will be towards cheaper fares, rather than towards expanding the sector in which businesses are prepared to pay premium fares, as they are in increasing numbers to travel super-sonically between London or Paris and New York.

The age of mass travel has taken off since the 1978 show, with more than 40 airlines now competing with each other on the North Atlantic (and almost all of them losing money in doing so), deregulation of both fares and routes is under way, and the next Farnborough

show, although British Aerospace and some of the large "United States" aerospace manufacturers have small teams working on the shape and size of an advanced supersonic transport (AST) which could be in service during the 1990s.

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States, four airlines licensed to fly alongside each other on the route between London and Hong Kong, and increasing pressure within Europe for a relaxation of the regulations covering who flies where and what they can charge.

Enormous pressures will squeeze civil aviation during the next two years. Apart from fuel costs already mentioned (the price per gallon went up by more than 100 per cent throughout the industry during the past 12 months), airport and aviation authorities are putting up the cost of security checks, landing, navigating and parking. At the same time, the growing environmental movement worldwide is pushing new airport sites so far distant that, although less

offensively noisy, they are a far less economic for the airlines.

Manufacturers also are under inflationary pressures so that new airliners will cost more, as will the work of refurbishing and modernising existing fleets. They are also worried about shortages of the vital metals which they use to make airframes, engines and components. Mr Barry Gray, chairman and chief executive of the United States' United Technologies Corporation, said that large proportions of metals, such as cobalt, lie in countries with histories of instability. His country could be faced with a "materials Opec".

Overall, the future for aerospace looks gloomy, but the industry has survived a worse crisis, and it will be surprising indeed if Farnborough does not reopen its gates in two years' time bigger and more buoyant than ever.

Arthur Reed

Costliest part of manufacture is the electronics

Avionics has grown rapidly over the past decade into a business which is worth thousands of millions of pounds each year. As the price of aircraft has increased, so has the proportion of that price represented by the cost of electronics.

This is now about 30 per cent of the overall cost of a military aircraft of which almost half is devoted to radar. An indication of the vast sums involved in this section of aircraft manufacture emerges from the fact that the Government in its White Paper on defence spending, has earmarked £50m for the avionics improvements for Jaguar aircraft alone.

Engineered flight control, fuel control, target identification and a host of other functions are now performed by highly complicated electronics aboard military aircraft. Civil aircraft are likewise electronically oriented but while having a greater accent on passenger safety, some of their radar sensitivities and computer

power are not so acute as the military.

One of the primary requirements of electronic instrumentation aboard any aircraft is its navigational system. Two types are widely in use and can sometimes be duplicated for safety reasons. They are the Doppler and the inertial navigation systems. In the former, four beams are directed at the ground from the aircraft and, depending on the changes in frequency and the wave on its return, the aircraft's position can be accurately calculated and so a course navigated.

The inertial navigation system is based on calculations that are made by the aircraft's computer about the changes in inertia as it travels through the air. Measurement by gyroscope of the aircraft's deviation from a fixed position and by accelerometers of changes in its velocity enables the precise position of the aircraft at any time to be computed with an accuracy of about one mile in 3,000.

In a military aircraft the weapon system has a high priority. Sensors are used to extract information from the target to enable the craft to home in on a specific target.

One such sensor could be a laser. Pulses are directed at the target and in the process of being reflected identify the target range and its angle to the aircraft, together with volumes of other data which define the trajectory required to be taken by the missile to be launched.

In both military and civil aviation the most marked advances have been in the electronics of radar. Depending on the type of aircraft and the use in which it is to be deployed, one particular design will take precedence.

One type in use is designed for interceptor aircraft whose role it is to detect the presence of enemy planes within 150km. Here the Doppler system is used. Pulses emitted by the aircraft can detect the position of an approaching craft. The frequency changes of the waves reflected to the interceptor give the precise coordinates of the enemy plane, while flying at an altitude of up to 100,000ft.

A totally different approach is required for strike aircraft flying at a few hundred feet, or possibly as low as 50 feet, in search of ground targets. The ground ahead is "mapped" within an angle of 130°. The system, apart from providing this continuous sweep for target detection, will identify the angle of the target relative to the aircraft and its range while helping the pilot to control the craft at such a low altitude. The system is called terrain following.

The Tornado interception strike (IDS) aircraft to be used by Britain, Germany and Italy has been equipped with the strike system. The Tornado F2, used by the British as an interceptor, only has the first type of radar.

Another prominent type is that used for reconnaissance aircraft. As it travels forward the radar sweeps the perpendicular area to the left and the right of the craft. The picture displayed for the pilot is similar to a highly detailed photograph.

One of the most advanced radar designs is used by the early warning system carried by an airborne Nimrod. It is designed to detect low-flying aircraft, which "get under" the ground radar system. Flying at 25,000ft, the aircraft is able to sweep a full 360°.

Flight controls today are heavily reliant on electronics. In pioneering days of aviation the ailerons were attached by wire to the pilot's joystick, today they are electronically controlled and monitored. Subtle changes in the basic shape of an aircraft's higher camberance, its aerodynamic performance. The changes are computed and executed by the craft's electronics. Aircraft with such control are called "control configured vehicles" (CCV).

Another notable advance that has been made is in the display of information with out distracting the pilot from looking straight ahead. The system provides what are called "head-up" displays, which are the high technology successors of optical gun sight inventors during the last war. The display is fitted in front of the pilot's window and will continuously give him details he needs to know.

Military equipment is subject to far greater abuse than that used in a civil aircraft. Vibration and the difficulty of keeping the apparatus cool, and hence reliable, are two of the most common factors that have to be catered for in any military aviation system.

Bill Johnston

Lightweights wage strong fight

Of the 120 or so new aircraft types on show at Farnborough about a third belong to the general and light category which is holding its own against the competition of commercial and military types. About 40 different models will represent all elements of the small aircraft industry (if such a description can be applied to any business which was worth more than \$2,000m in the United States last year), and if sales of \$1,150m in the first six months of this year are sustained in spite of a depressing period for the manufacturers of single-engine and light twin-engine aircraft, then the sector may perhaps claim to be the most vigorous.

This is not to deny that steeply rising fuel prices and inflation in general have combined to depress sales. At least one big United States manufacturer's line of high-class single-engine machines has disappeared while many an aviator might envy a \$1 a gallon fuel this price still seems to many to be too high a sum to pay.

Plummeted last winter and in the early part of this year, confirming a rumble first detected by astute people attending the United States National Business Aircraft Association's annual convention a year ago. Only in June were manufacturers reporting a levelling out of the curve as for the first time in 1980, deliveries of new aircraft were not lower than the preceding month, although they were still 30 per cent below the figure for January. The first hint last winter of aircraft

gathering dust in American factories was soon followed by the big three manufacturers—Beech, Cessna and Piper—announcing production cutbacks.

Now all three report an increase in light aircraft interest. Increasing scheduled airline fares and reduced services are both stimulating the market and once again emphasising the economic advantages of small aircraft for business and private use. First examples of the Cessna 1981 model range should be reaching the dealers this month. Interest was predicted to rise in the United States before the end of the year—have also helped to push potential customers off the fence of indecision into waiting arms of eager salesmen. According to Beech, only in the return for the autumn months will it be possible to judge whether

the manufacturers' fortunes have made a sustained upturn. August has traditionally proved a record month for new deliveries, but in 1978 and 1979 it was followed by a drop, before an increase in November.

Order books for business jets are full. An attendance of more than 10,000 delegates at the NBAA convention last year (and there will be more at the 1980 meeting this month) confirms that the higher end of the industry continues to prosper. Regulation of the main-line operators predictably increased in the commuter market—aircraft to be used by regional carriers to take passengers into the big cities, which are themselves being interconnected by a network of international routes—has been re-emphasised. Projects signed by all but the faithful

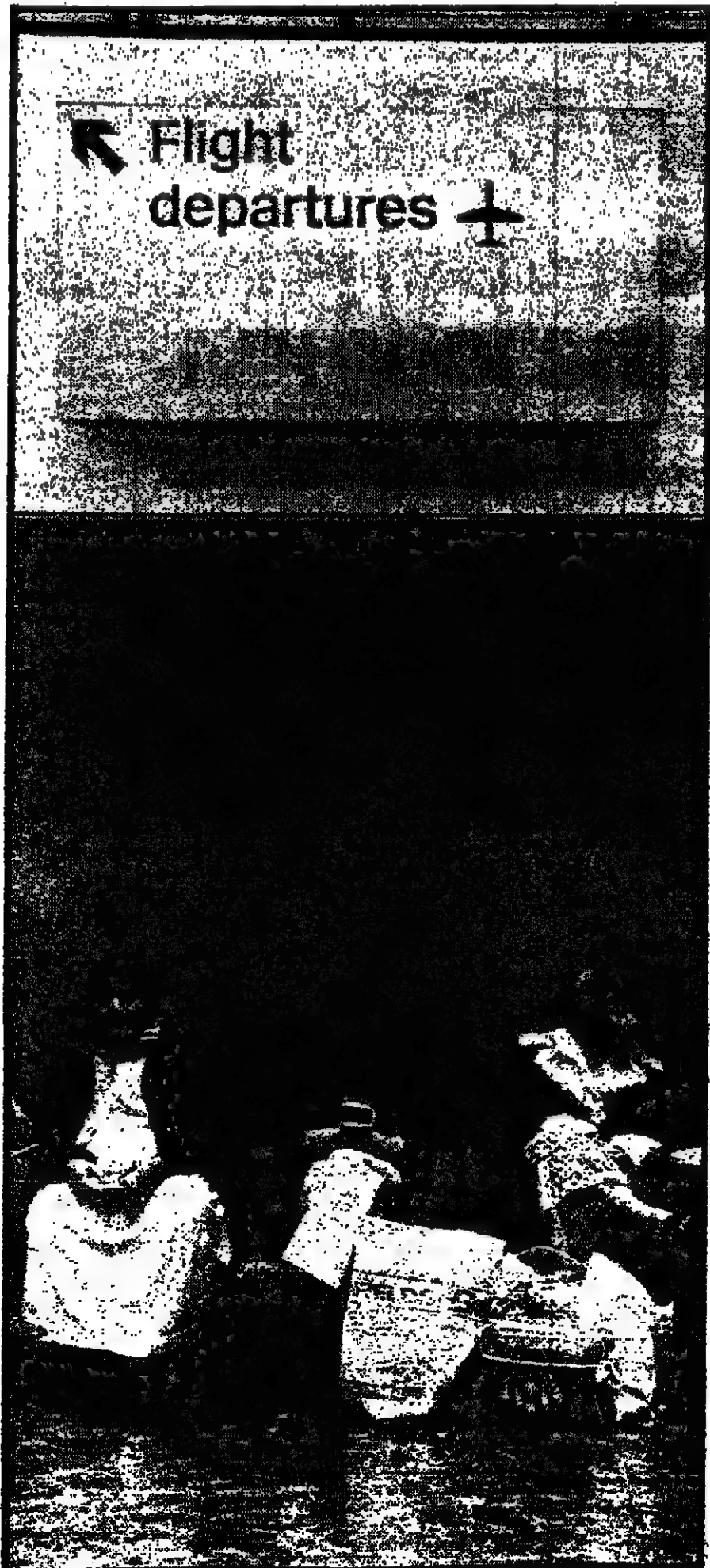
to the long list of might-have-beens. Deregulation had another less foreseen result: corporations and large businesses which had previously used airlines for inter-factory transport now often find themselves without an air service. This has led many to use executive jets and turboprop business aircraft.

Helicopters, too, have begun to offer a real alternative for journeys up to 300 miles. New twin-engine powered types give a smooth service and are competitive with "jet" transport. Their greater dispatchability, and suitable city centre helipads are available, faster executive transport between out-of-town airports may continue to predominate.

It is by no means with challenge. France, Brs the United Kingdom, Canada, Japan, Finland, West Germany all have craft at Farnborough.

While the United Kingdom is not likely ever to hold a pre-eminent position in the light-aircraft manufacturing industry (despite brave attempts in the 1960s there is still a flourishing general aviation community in Britain. Air taxi operators continue to do good business, with several of them offering services through the United Kingdom and most parts of Europe in competition with the "jet" airlines which do give the same flexibility, timing and which take executives to small fields.

Ian Go
Flight International



Stoical passengers face a long delay to a flight from Heathrow.

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In the dangerous 1980s, Britain and France must bury the hatchet

A senior French politician, asked about the growing intimacy of relations between France and Germany, observed that it was much easier to communicate with the Germans than with the English

To be an Englishman in France is, nowadays, not exactly an exhilarating experience. This is not a matter of the inconvenience caused to a few thousand tourists by the strikes at the Channel ports. There is a more fundamental problem at a higher level of international relations.

Le Figaro last week published an article on the starving Ugandans in Karamoja, the general tone of which can be judged from one passage in which the question "What are the French doing in Uganda anyway?" received the simple answer "saving the lives of a few Ugandans whom the English would allow to starve".

Another article in the same newspaper, written as a light piece about all places, the bar in the Connaught Hotel, was used as a vehicle for some of the more familiar and bitter lines against the country which cannot come to terms with the fact that it has lost an Empire. At a reception in western France, after a concert by the European Community Youth Orchestra, a senior French politician, asked about the growing intimacy of relations between France and Germany, observed that it was much easier to communicate with the Germans than with the English.

These are not outlandish and visible signs of the recent decline in Anglo-French relations to a level as low as they ever reached when General de Gaulle was frustrating our attempts to join the EEC in the 1960s. Yet it is arguable that we are entering a period in which cooperation and understanding between the great powers of Western Europe have never been more important.

It has, of course, become commonplace to regard the 1980s as an especially dangerous decade. It is a judgement which derives in large part from the predictions of strategic analysts, who calculate that for a brief but significant period in the second half of the 1980s, the Soviet Union will have achieved a clear superiority over the United States in nuclear weapons, creating a dangerous gap which could not be closed even if the American President were

to embark tomorrow upon a massive programme of rearmament. It is, however, not necessary to accept this alarming proposition and its more apocalyptic implications to be persuaded that the next 10 years will indeed be years of turbulence, uncertainty and possibly even of war. There is much more to the challenge of the 1980s than the crude threat of Soviet imperialism. The pattern of world politics is itself undergoing a fundamental transformation. Many of the familiar landmarks by which we have become accustomed to order human affairs are disappearing.

Living in constant peril

The upheaval in Iran has introduced into the international community a regime of fanatics and obscurantists for whom the conduct of international relations has no meaning. In dealing with them neither the traditional practices of diplomacy nor the threat of overwhelming military power is likely to be effective. Their claims are encouraged to act almost with impunity as destabilizing influences wherever, in the free world, it seems expedient or attractive to them to do so; and any citizen of the free world who is rash enough to remain in Iran lives

in constant peril of being thrown into prison, usually on some vague charge of espionage, at the whim of those who are, in theory at least, in charge of that country's affairs. It is a measure of the new and intemperate climate of international power and behaviour that a motley collection of Marxists and religious fanatics in a backward Middle Eastern country can hold prisoner for nearly a year 50 citizens, many of them accredited diplomats, of the most powerful nation in the world. In passing it is not entirely irrelevant to note that when the rulers of Saudi Arabia, not without reason, took umbrage at a television programme and interrupted diplomatic relations with Britain, it was the British Government which found it expedient to eat large helpings of humble pie in order to bring matters back to normal.

Meanwhile, at a much different level, the received wisdom about détente and the East-West relationship is being radically undermined by events in Poland. No one who remembers 1953 in Berlin, 1956 in Hungary or 1968 in Czechoslovakia doubts the determination of the Soviet Union to guard against any disposition towards dissidence on the part of the Warsaw Pact allies. Movements of national liberation and resistance against imperialist oppression are not encouraged so close to home, and there should be no

premature satisfaction about the modest degree of liberalization with which the Polish leadership has sought to deal with its critics. The sombre fact is that the Soviet Union, unlike the United States, will have no inhibition about using its massive military strength if it considers its interests to be at risk or its authority to be defied. Elsewhere in the world the evidence of a changing order is too conclusive to be ignored. The countries of the Third World have served notice that they intend to take a "rough line" at the forthcoming United Nations conference on what is now fashionable to call the North-South dialogue. This will presumably include an intensification of the procedure by which the industrialized world is already held to ransom by a cartel of aid-producing nations.

New dimensions of barbarism

In China, further changes in leadership are paving the way for whatever programme is eventually decided upon to fulfil the declared aim of bringing the People's Republic into the front rank of world powers by the end of the century. In the Middle East there is a danger

that Israel, perceiving its friends to be irresolute and unreliable, may take matters more and more into its own hands; and, finally, the practitioners of international terrorism are exploring new dimensions of barbarism.

Lord Bryce might, indeed, have been writing of the 1980s rather than the 1880s when he observed in *The American Commonwealth* that "a cloud bank was on the horizon and now no longer distant, a time of mists and shadows, wherein dangers may be concealed, whose force and magnitude we can scarcely conjecture". It will be a time for political leadership of a high order. In the long term, as Henry Kissinger has said, there can be no peace without equilibrium and no justice without restraint. Yet these are the two qualities most conspicuously absent from the emerging international scene.

Furthermore the United States is approaching an election which will fascinate the White House for the first four years of the 1980s either a man whose foreign policies have so far been notably devoid of balance or one whose public utterances give no great assurance of restraint. There is therefore an especially imperative need for understanding and wise co-operation in Western Europe. As the European Economic Community has so far been a profound disappointment to those who saw it as a catalyst of political unity, it is upon the three major powers, the United States, France and Germany, that the responsibility now lies.

The flourishing Franco-German entente has shown that it is possible in the dangerous 1980s, France and Britain cannot afford the luxury of the mutual suspicion and mistrust which has characterized their relationship for so long.

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A Congress looking for its old influence

The well-oiled propaganda machine of the TUC is looking for its old influence in the new Congress

The Trades Union Congress opening here today is sending an uncertain but instinctive path back towards its corporate identity as a social partner to be taken seriously by government—even if not this one. A hankering after the days when union leaders had the ear of the Cabinet is still noticeable as the "parliament of labour" gathers.

The urge comes out most strongly in a composite motion from the general workers and the steelworkers on incomes and the return of a Labour government, which calls on the TUC-Labour Party liaison committee to "work out proposals upon which a general election can be fought Part and parcel of this would be an understanding on pay."

Faced with the opposition of the mighty transport workers, this motion may not succeed, but Mr. Moss Evans, general secretary of the TGWU, was at pains yesterday to play down the impact of such a defeat.

"I don't think the consequences would be serious," he said. "We have to have a dialogue with the Government about progressive pay policies. My union is not opposed to talks on measures that would improve the whole situation."

It is against this background of firm opposition to the Conservative Government's policies and a half-open door to the opposition that Mr. Callaghan, leader of the Labour Party, will address the 1,200 delegates tomorrow. His last appearance at this congress was not entirely auspicious.

After his "waiting at the church" speech two years ago, and the reversal of his apparent general election message a few hours later, the unions had no hesitation in letting their negotiators out of their incomes policy. When the unions have experienced under Mrs. Thatcher since makes them draw back from refusing all talks on pay with a prospective Labour administration.

In the meantime, the propaganda pressure on the Government's pay policy will be strengthened. Congress is to reaffirm its commitment to free collective bargaining.

Mr. Clive Jenkins wants to go further. It is often pointed out that there is no more abandoned species than an ass-on-work card. Those who do not work cannot join the union. Jenkins' proposed approach to the Labour movement. Worst of all, from the TUC's organizational point of view, jobs activities take up extremist fringe politics or form rival single-issue pressure groups whose highly vocal style can make the TUC look indecisive and inadequate.

To counter this, the ASTMS is proposing representation of the non-employed, on the basis that the new law should be a matter for negotiation with the unions. Mr. Jenkins wants the TUC representing "those who work and those who want to work" and his proposal is likely to be taken up. A special meeting of the TUC General Council, "the new cabinet" will discuss reform of the union later in the year, and two consultative conferences are planned.

It all makes Gdansk sound a long way away, but the Employment Act, which is now in force, is a prompt to some uncomfortable parallels in the taproom debates. Popular explosions of reaction are scarcely encouraged under the new law, and now, it is asked, would the Polish strike force used by legislation, which prohibits political strikes? The range of prohibitions on traditional trade union tactics is only just getting through. And a rather far-fetched identification with the Polish "unofficials" may yet give British trade union activists a case for a holy war over the Employment Act that has so far eluded the official leadership.

pay claim. It will be almost certainly for a "substantial" increase, rather than a specific percentage, and the unions may even fight any of salary for their long-standing ambition of two-thirds of average earnings, because that would produce an indefensibly high demand, such as the gap between average earnings in industry and pay scales at the bottom of the public service ladder.

Now, too, the local authorities, strapped for cash by Government limits on spending, afford a big rise for this pace-setting group of workers. Some councils are so desperately short of money early next year, and some will be unable to impose a supplementary rate to keep them going. This combination of cash crises in the town halls, the social unrest arising from higher unemployment created by cuts in services, and the sheer size of the unemployment benefit bill, might oblige the Cabinet to halt the run-down in public service manpower. It is thought.

It certainly seems a more likely scenario than the TUC's own economic alternative, which invites the Government to go back on its fiscal policies, reduce the working week, reverse public spending cuts, extend

The propaganda pressure on the Government's pay policy will be strengthened. Congress is to reaffirm its commitment to free collective bargaining.

public ownership, reduce the Price Commission, and so on. And this is fairly recognized in the key economic motion which looks to the next Labour government to implement such a strategy.

But the TUC's failure to protect its policies at government level is also prompting some profound internal heart-searching. The General and Municipal Workers are seeking a TUC-sponsored review of union finances, and a services to be drawn up for the next congress.

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Paul Routledge
Labour Editor

South Africa's generals in the corridors of power

Johannesburg

One of the most outstanding features of Mr. Pieter Botha's two years in office as Prime Minister has been the growing influence of the South African military leadership in national decision-making, a development which was emphasized by the appointment last week of General Magnus Malan, head of the Defence Force, to replace Mr. Botha himself.

This can be seen in what is referred to as South Africa's "total strategy" against a "total onslaught". "Total strategy" is a politico-military philosophy, the 12-point programme outlined by Mr. Botha a year ago at which the two main cornerstones are the maintenance of a strong Defence Force and a commitment to domestic reforms; both are key elements in military thinking about South Africa's future survival.

Military strategists are also responsible for the concept of a "constellation" of Southern African states whereby South Africa plans to use its political, economic and military might to establish a grouping of moderate, anti-Marxist states in the sub-continent. Although this concept received a setback with Mr. Robert Mugabe's election victory in Zimbabwe, it is still far from being abandoned.

As part of the "constellation" idea the South African Defence Force has contingency plans to cross borders into other countries for preventive or defensive action or to assist "stable forces" in those countries.

Military men now occupy key positions both as Mr. Botha's advisers—notably General Malan—and in the revamped State Security Council. This has become one of the

most influential decision-making bodies in the country and is the main forum for formulating "total strategy".

Military advisers sit on the 15 inter-departmental committees covering all the main aspects of government whose recommendations are coordinated through the State Security Council.

Senior officers can be found on many of the public commissions set up by the Botha administration. The military's influence even extends to grassroots level through job planning centres which have been set up in the country's nine "commando areas". These act as information gathering centres about potential threats to the country and their information is fed back to the State Security Council.

"The Defence Force has become a power in the land and in Mr. Botha's government in particular. Military and strategic thinking has had a substantial impact on overall policy and is playing an increasing role in key areas of national decision-making," commented Professor Andre du Toit of Stellenbosch University. He believes the military's influence in internal politics would increase as guerrilla and counter-insurgency campaigns along South Africa's borders escalate.

The growth of military influence goes back to the period when Mr. Botha was Minister of Defence in Mr. Vorster's government. He reorganized the force, promoting men on merit rather than age or because they were Afrikaners, and turned the whole defence establishment into one of the most efficient arms of government.

General Malan is one of the officers who rose rapidly as a result of Mr. Botha's re-



General Malan, the new Minister of Defence, one of the military men in key positions in the government of Mr. Botha (right).

organization. Others who have found Mr. Botha's favour were General Konstant Viljoen, now head of the army, and General Jannie Geldenhuys, the outgoing commander of the South African Defence Force in Namibia.

A Minister of Defence Mr. Botha, who is stickler for efficiency and discipline, was also impressed by the way the military got things done, contrasting this with the duplication and inefficiency of the civil service. "What Mr. Botha is now doing is to apply the management methods of the Defence Force to government," commented a member of the State Security Council.

Mr. Botha's determination to streamline government has led to a complete restructuring of the ramshackle organization which he inherited from Mr. Vorster. A new Cabinet power structure, involving a reduction from about 40 Cabinet committees to five, has been carried out. These Cabinet committees are responsible for taking most of the important decisions concerning the economy, security, the constitution and social affairs.

He has also set up a special

Prime Minister's department which acts as a link between the various Cabinet committees. But probably his most important move was to restructure the State Security Council, which had become practically moribund. Under Mr. Vorster this council used to meet a couple of times a year. Now it meets regularly every fortnight and it is here that key decisions concerning the country's "total strategy" are formulated.

Mr. Botha has skillfully used the council to meet a couple of times a year. Now it meets regularly every fortnight and it is here that key decisions concerning the country's "total strategy" are formulated.

Very few things happen in South Africa which do not have a security aspect.

The origins of Mr. Botha's concept of a "total strategy" also date back to the days before he became Prime Minister. At that time a number of senior officers realized the need for South Africa to have

an overall military strategy to confront the threat that was starting to build up beyond its borders.

Once they began thinking in such terms they realised that a strategy must involve civilian as well as military considerations. As Brigadier Wolmarans, the Defence Force's Director of Strategic Studies, recently explained, the "total onslaught" against South Africa was political, economic and psychological as well as military.

What this means, according to military thinking, is that every man, woman and child, every government department and every institution must be involved in South Africa's fight for survival.

Two important factors which have influenced the Defence Force's strategic thinking have also been largely accepted by Mr. Botha. The first is that while the Defence Force, the most powerful conventional force in Africa, has the capacity to resist most forms of external aggression it could not deal with internal unrest.

The second factor was the realization that the Defence Force had consistently emphasized the need to "gain and

keep the trust and faith of our different population groups".

The second is that to gain and keep that trust, blacks, Coloureds and Indians must be given a better deal than they have at present. The Defence Force began to put racial identities to one side some time ago and when it accepted the need to recruit non-whites into the armed forces, simply because there were not enough whites available. Similarly, the Defence Force has accepted that as many non-whites as possible must be brought "on side" to help the Government face the "total onslaught". Hence the need for domestic reforms.

The military leaders, like Mr. Botha's Government, believe these reforms should be based on the notion of multi-racialism (in other words, recognising the ethnic differences between the country's race groups) rather than multi-racialism. However, as the military member of the State Security Council pointed out, "all options are open to us and will be considered, even if they do ultimately involve the eradication of apartheid".

The fact that senior officers are prepared to admit such pragmatic (not to say heretical) views has created the impression that the leadership of the Defence Force is more pragmatic than in other government sectors. This explains why the country's white opposition, although disappointed by Mr. Botha's failure so far to implement meaningful reforms, has remained largely silent about the military's expanding role in government.

But while the feeling in liberal white circles is that the military's influence is generally beneficial at present, there is growing concern that Mr. Botha's generals are helping to establish a new government structure which would vest vast powers in the hands of the Prime Minister and a few selected Cabinet ministers and officials.

As it is, more and more decisions are being taken by the Cabinet committees and the Security Council merely to rubber-stamp by an increasingly "impotent" Parliament.

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Nicholas Ashford

DIARY BETWEEN TEA BREAKS IN MANHATTAN

When the history of American work practices comes to be written, it will probably not record that the concept of the teabreak was introduced to New York by Mr. Christopher Hannaway, a master mason from Liverpool.

I had gone to see Mr. Hannaway at St John's Cathedral in Upper Manhattan which started in 1893 and is still many, many years from completion. Just over a year ago, having finished work on Liverpool Cathedral, he was hired to continue the work on St John's, which had, until then, not been resumed after the Second World War.

We had been speaking for barely five minutes when he suddenly rose from his chair in the dusty office adjoining the work shed. "Excuse me a minute," he said. "I need to get from the pocket of my overalls a referee's whistle. I strode into the shed and blew a piercing blast."

"What was that?" I asked. "End of tea break," he explained. "Tea and stone are two sub-

jects about which Mr. Hannaway has firm views and profound knowledge. He has never worked without a tea break and cannot conceive of doing a mason's job deprived of that benefit.

Thus twice a day, in the middle of the morning and the afternoon, his American staff, to whom a tea break is an entirely new concept, knock off for 10 minutes. The junior amongst them boils the water, pours it over tea bags and then into mugs.

Habits

"We've made the rules and they abide by them," declares Mr. Hannaway, who at 64 is not going to change work habits acquired over a lifetime. "Most of them have tea, but a few make their own coffee." The difficulty of getting a decent cup of tea in New York is one of the topics Mr. Hannaway discusses feebly with his new English assistant, Mr. Alan Bird, who is 29 and worked

until a few months ago at Wells Cathedral.

Mr. Bird, being the younger man, knows all about tea bags, but Mr. Hannaway has had to get used to them here. They stress the importance of having the water boil as bubbling as when you brew naked leaf tea.

"Sometimes they make it here with water off the boil," Mr. Hannaway said disapprovingly. Apart from denying the proper flavour, that also leaves a deposit on the top.

"Mind you," he said, wiping the sweat from his brow, "I am one of New York's stiffest, blindest summer days. 'In this weather you'd drink almost anything'."

It is hot and dusty in the shed, which stands alongside the uncompleted cathedral on Morningside Heights, looking out over Harlem. But Mr. Hannaway is doing something he loves, practising his increasingly scarce craft, and has no complaints.



the trade of a stone mason had effectively died out in the United States.

There is no call for them. Modern buildings—even modern churches—like the riverside church about half a mile from St John's—are built on steel frames, their exterior

walls stuck on like thin skins. In Britain a few hundred masons are still employed keeping our medieval and later cathedrals in good repair. So it was to Britain and to Mr. Hannaway—that the trustees turned.

The cathedral has a turbulent history which is in some respects typical of this argumentative city. When it was begun the plan was to do it in the Romanesque style popular in the last part of the 19th century. The noted architects George Hains and Christopher La Farge were called into draw the plans.

There were delays from the beginning, caused by problems with the stability of the base rock. The money supply was uncertain and the trustees, as true New Yorkers, kept nagging about the suitability of the design.

In 1911, they decided that Romanesque was the wrong idiom for a cathedral which, when and if finished, would be among the largest in the world. It had, they believed, to be gothic, so Ralph Cram, who

had designed the campus of Princeton, was commissioned to convert it into a gothic structure to rival the great cathedrals of Europe.

By that time the eastern part of the building had already been completed in the original style, and it had to be incorporated into the new design. This was done without too much disharmony in the next stage of the building, which progressed slowly and was interrupted by two world wars.

The Cram plans are being used for the present phase. Mr. Hannaway and Mr. Bird, with 12 locally engaged and quite inexperienced helpers, are working on the towers which will flank the west entrance.

At the present rate, unless the number of helpers is increased, Mr. Hannaway reckons the towers will be finished in 15 years. After that the transept and crossing have to be completed. Maybe a hundred years, he calculates philosophically, will see the whole job through—unless it is interrupted again by wars or other unnatural disasters.

"We don't think about time here," he said. "Some people wear speed, but cathedrals are not built that way. Cathedrals take thousands of years to be finished. This will ever be finished."

Craft

His helpers are a cross section of the community. He has blacks, a Puerto Rican, two women and a Red Indian. He has been training them all from scratch in the mason's craft, and, in the year since the work started, not one has left him.

He took me into the shed to watch them chipping away at the blocks of Indiana limestone, below, "I pointed to Linda Page, a 30-year-old sculptor, who was working on a piece of stone with a chisel and a round wooden mallet. "The methods don't change," he said. "That girl now is doing the same job and using the same tools as they were using when the masons chipped the European cathedrals."

When it resumed last year. She had been working two weeks on that one piece of stone, chipping out an intricate scroll design. She looked at me and said: "It's a rewarding job. I've never had I've not been bored at."

It's not just chipping away. You have to know what you're doing with the tools."

"Did she—I asked, feel excited by the prospect that the stones on which she was working would one day be raised to the top of the cathedral and be gazed on by generations of New Yorkers?"

"I feel excited that one day I'm going to help put them up there," she replied. "I went back into the office to say goodbye to Mr. Hannaway. 'Would you like a cup of tea?' he asked. 'No, thank you. I've had my tea.' 'I did not dare say that it did not matter.'"

Michael Leapman

SPORT

A lot of heart looking for a little more head

By Paul Harrison

Ipswich Town 4 Everton 0

At first it must have seemed embarrassingly easy for Ipswich Town. Two goals, both inside a quarter of an hour, Everton, quite simply overruled, seemed to be heading for humiliation.

The third and fourth goals did not come until within the final 10 minutes and in between Everton, by dint of spirit and the power of their running, pretty closed the gap in skill between the sides, a gap that was most pointed at a start and finish of a game that was always keenly and cleanly contested.

In fact, for most of the first half, Everton were the dominant side, yet the more they had to show for half-time was a shot against a post, by McMahon, at 15 playing in only his fourth game. He was Everton's only standing player, shaking the menace of Gates in midfield and moving forward to attack. An indication of the change in the game during the first half came near the interval, when a plaintive voice called out: "Come on, Ipswich, you are at home."

Everton had the heart, epitomized by Lyons at the centre of their defence, and the legs, but not, in the final analysis, the football brains of Ipswich. A solid team of ability, led by the manager, Bobby Robson, the manager, has assembled, and nowhere is it more obvious than in midfield, where the two Dutchmen, Arnold Muhren and Frans Thijssen, excel. Much of the good work done by Ipswich on Saturday, and there was a lot of it, came from Thijssen.

Then there is the Anglo-Scottish striker force of Martinus Brazi, a chunky Scottish action man, opened the scoring after 11 minutes with a half-time with a minute. Worked after the game, most spectacular goal, a volley which McDougall in the Everton goal may have been able to catch, but he was not there.

Rain drizzled softly all over the players for the whole game, but dampened not the legs, which were kept busy, one way and another, but quite a time of it. He played a part in both opening goals, and the legs, which were kept busy, one way and another, but quite a time of it.

A fine effort it was, too, with Martinus playing a one-way and another, but quite a time of it. He played a part in both opening goals, and the legs, which were kept busy, one way and another, but quite a time of it.

With seven points out of a possible eight, and a top of the table, Ipswich have this last been the case. Bobby Robson responded: "I can tell you when we were last here."

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Behind the goals, the real sickness remains

By Norman Fox

Football Correspondent

So many down-beaten reviews proceeded the new season that it was a natural reaction to clutch at the first sign of something less depressing. For anyone who believes that goals are the ageless panacea, encouragement came quickly and continued to give cause for optimism on Saturday when the first division contained seven games with three or more.

Unfortunately, the national winter sports has forfeited public sympathy for reasons more principal than that of goals. Regrettably, Ian Botham's remark that Saturday's events at Lord's put him in mind of the football pitch was no reflection on the game, but he also enjoys. Although it is possible to be encouraged by the trend of play used in this season, the all-round decline of footballism restrains recovery.

Being asked whether the London

derby game between Arsenal and Tottenham Hotspur at Highbury was good brought an unreservedly positive reply. Footballism being endemic, often goes unmentioned. The fact was that on Saturday part of the terraces at Highbury regularly appeared to be a battleground over which the fine, sporting efforts of the players to produce an excellent, interesting match had little influence. The sickness gets no better, merely less newsworthy.

That conjunction having been aired, one still welcomes the early movement away from the football that has contributed to falling attendances. Some reassurance is coming from unlikely quarters, not least from Arsenal who, in their 2-0 victory over Tottenham, showed a more confident, more assured, more professional side.

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Sunderland making intentions clear

By Nicholas Harling

Manchester Utd 1, Sunderland 1

Benefiting from a change of personnel rather than from a change of tactics, Sunderland served further notice at Old Trafford that they intend to become more firmly acquainted with the first division than they did on their last brief visit four years ago.

Until Saturday's match, United had suffered a Jordan complex, continuing to boast high centres to the Scot who was not able to get on the other end of three simply because he was on the sidelines resting the injured knee that has kept him out of all but the first 10 minutes of the season.

Against Sunderland his colleagues finally responded to their manager's plea for a lower, more subtle approach but although it was from a high ball which Jordan would have pounced on had they did not admirably score their goal, United emerged giving Dave Sexton little cause for satisfaction.

On the other hand his opposite number, Keith Walker, would probably have considered his resolute success had his team even not exceeded all his expectations to equal a late point. It was in the need of an improved balance at the back that Mr Knighton had withdrawn Elliott from the line-up, and the splendid Alfie and that quality was duly supplied, albeit at the expense of a late point. It was in the need of an improved balance at the back that Mr Knighton had withdrawn Elliott from the line-up, and the splendid Alfie and that quality was duly supplied, albeit at the expense of a late point.

It was not long before Sunderland, for all their enterprise, were being pushed back, Cummings falling the deeper to relieve his midfield. Three attackers had

become two but to their everlasting credit Sunderland did not allow two to be reduced to one as they persevered with Hawley and Brown, both of whom chased every faint cause. Appropriately Brown deservedly claimed the ultimate reward that was a minute headed equaliser after Alfie had flicked on Arnott's free-kick.

United had taken the lead on the hour through their centre half Jovanovic who was deputizing for another missing regular, McQueen. The Yugoslav, who will continue to be a liability in defence, will be a good deal more direct in front of his opponent's goal. It was after he had lured one shot into the terraces that Jovanovic made swift amends, finding the roof of the net with his first effort after the otherwise secure Turner had failed to hold a header from Richie following Coppell's corner.

With Thomas, like Coppell failing to turn Sunderland's counter-attacks, United has struggled to impose their usual authority. Greenhalf had occasionally taken the lead from the back, but the third absence with sweeping passes to change the direction of play, but in this redemptive, organized mood Sunderland showed they were in no way prepared to be trampled on especially with no Jovanovic in defence.

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With Thomas, like Coppell failing to turn

SPORT

Motor racing

Piquet is keeping up with Jones

From John Blundell
Zandvoort, Aug 31
Nelson Piquet threw the world championship wide open here this afternoon by scoring a decisive victory for the Renault Formula One team in the Dutch Grand Prix. He is within two points of Alan Jones at the top of the table with three races remaining.

The talented Brazilian took the lead at the end of the twelfth of the 72 laps. Thereafter he drove a masterly race, his Renault Formula One machine in first place as he steadily built his lead over Jacques Laffite's Ligier-Ford to more than 20 seconds by the end of the race. Renault snatched second place after closing in on Laffite and passing him three laps from the end.

For Jones it was a bitterly disappointing race. After starting a brilliant start and driving round the outside of the two Renaults at the first corner to take the lead, he ran over a kerb and damaged a shock absorber, which led to a stop at the pit at the end of the second lap to have it replaced.

The long half-pit put him out of the running. Having restarted four laps after, he worked his way through the Renaults to take the lead, but ran over a kerb and damaged a shock absorber, which led to a stop at the pit at the end of the second lap to have it replaced.



Splashing it all over - Piquet serves Laffite champagne.

Wilson had been the pacemaker for the McLaren team, leading in seventh place in the early stages before retiring with a severe suspension failure.

Twelve laps from the end, Piquet had a horrible looking accident at the end of the main straight, but he was unhurt and his suspension failure was not a problem which also befell Mario Surtees' ATS.

Andrew's retirement forced Jean-Pierre Jarrier into fifth place. Alain Prost was sixth in his first outing with the latest McLaren M20, although Jones

meant. A slight error of judgment on lap 37 ended his competitive drive by Bruno Giacomelli, whose Alfa Romeo is among the most competitive of cars.

Although Aronson's Renault remained competitive throughout, Laporte's car had a severe steering problem, which prevented it from being a serious contender for the title.

Piquet was again backed up by a completely reliable car. He has failed to collect points in only one of his last three races, but it is a formidable record which even the Williams team have not been able to match.

Shortly after the start Prost's Ligier was hit by a heavy rain, which made contact in heavy traffic and also became immediate redress.

Racing

Storm Bird runs twice again this season

From an Irish Racing Correspondent
Dublin, Aug 31
Vincent O'Brien saddled two runners at the Curragh yesterday, Storm Bird and Storm Bird, and these two juveniles, out of the same broodmare, put up a terrific performance, with an identical winning margin of four lengths.

Storm Bird was keenly scrutinised by paddock critics before the National Stakes and the consensus was that he would make a nice three-year-old. It was regarded as a bit of a surprise when he was sent to the Curragh to run in the National Stakes.

Storm Bird was again backed up by a completely reliable car. He has failed to collect points in only one of his last three races, but it is a formidable record which even the Williams team have not been able to match.

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Known Fact and Sharpo have last outing before Doncaster

By Michael Seely
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Polo

Spanish show of coherence and power

By John Watson
The first European polo week opened at Smith's Lawn, Windsor, yesterday with a trial match between Spain and France.

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Rugby League

Temperatures, tackles and scoring all run high

By Keith Macklin
High temperatures, high scoring and high tackles marked an eventful opening day in the championship programme.

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Equestrianism

No Obligations obliges in Welsh classic

By Pamela Macgregor-Morris
The Welsh classic No Obligations, which has been a regular feature of the Welsh show jumping scene, was held at the National Equestrian Centre, Caerdydd, yesterday.

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Sandown Park

Steeplechase

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Nottingham programme

2.0 OYSTER MAID STAKES (Selling: £705: 1m 20)

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Hamilton Park programme

2.15 CARMICHAEL STAKES (2-y-o maidens: £1,135: 5f)

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2.15 CARMICHAEL STAKES (2-y-o maidens: £1,135: 5f)

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(Current market price multiplied by the number of shares in issue for the stock quoted)

* Ex dividend. * Ex all. b Forecast dividend. c Corrected price. d Interim payment paused; f Price at suspension. e Dividend and field exclude a special payment. h Bid for company. i Pre-merger figures. j Forecast earnings. k Ex Tax free. l Price adjusted for late dealings. m No significant data.

هذا من الاصل

How resilient
is the
UK company?
page 24

THE TIMES

BUSINESS NEWS

The shift in
Mr Carter's
economic
stance, page 25

Stock Markets

FT Ind 483.9
FT Gilts 67.72

Sterling

\$2.3965
Index 76.2

Dollar

Index 84.1

Gold

\$632.50

Money

3-month sterling 16.4-16.5
3-month Euro \$124-124.5
6-month Euro \$124-124.5
Friday's close

IN BRIEF

World Bank approves \$83,000m in new loans

The World Bank has approved three loans totalling \$83,000m (about £35,000m) for development projects in Malaysia, Honduras and the Philippines.

A \$30m loan to Malaysia will help support a \$7.4m project to develop Kuala Lumpur's Agricultural Credit Bank, and a \$25m loan will help finance a \$70.2m project to promote settlement of Malaysia's poorest states.

Both loans have a term of 10 years, including four years of grace, and bear an annual interest rate of 9.25 per cent.

A \$28m loan to Honduras will help finance a highway construction project. The loan has a term of 20 years, including five years of grace, and carries a 9.25 per cent annual interest rate.

Pepper exports up

Sarawak, the world's biggest producer and exporter of pepper, has reported a 20 per cent increase in exports valued at \$1.4m (about £600,000) during the first quarter of this year, an increase of 345 tons from the year-earlier period.

Trade with Greece

The British Overseas Trade Board is urging United Kingdom businessmen to seize the opportunity to step up exports to Greece which joins the European Economic Community on January 1.

Cost to Iran

Iran has to pay a 5 to 10 per cent surcharge on its imported goods because of the Western economic boycott, Mr Mostafa Mousavizadeh, the chairman of the Iranian government's trading corporation, said in the English-language *Teheran Times*.

SDR rights for Arabs

The International Monetary Fund has announced in Washington that it has added the Arab Monetary Fund in Abu Dhabi to the bodies privileged to deal in its Special Drawing Rights.

Pakistan shipping tax

An 8 per cent tax is to be imposed on all amounts received or deemed to be received in Pakistan by non-resident shipping enterprises on account of carriage of passengers, cargo, or livestock.

Serbian gas find

Natural gas deposits have been discovered near the Serbian town of Aleksinac, in addition to deposits of oil shale, the Yugoslav news agency Tenzor reports. Prospects are planning deeper wells in the hope of finding oil.

Tidal power station

The Soviet Union is planning to build a 10,000kW tidal power station on the shores of the White Sea, Radio Moscow reports. It says the installation "will be the biggest power station of any type in the world".

Fire-fighting aid

A lightweight camera to help fire fighters locate the source of a blaze quickly has been developed by the English Electric Valve Co and is to go on show for the first time at an exhibition on fire technology at Harrogate this month.

Philippine loan

The central bank of the Philippines on Saturday signed a \$100m Eurodollar loan in Hong Kong with a syndicate of international banks. The eight-year loan carries an interest rate of 4 per cent over the London interbank offered rate.

Construction and manufacturing face big falls in output, CBI says

By David Hewson

Falling profit margins, a sharp rise in unemployment, and increased company pessimism are forecast by the Confederation of British Industry in its latest survey of United Kingdom company prospects.

According to its monthly trends survey, manufacturers are forecasting price increases to the extent that by November the wholesale price index for manufacturers' products will be less than 14 per cent higher than a year earlier.

Other indicators suggest that the rate of consumer price inflation is likely to fall, although industrial costs are still considerably higher than a year ago.

The monthly survey, which has grown increasingly gloomy as the recession has taken hold, predicts a fall in output for the whole economy of around 2.5 per cent during this year and 1 per cent in 1981.

The CBI identifies the manufacturing sector as the hardest hit, with output expected to fall by 5.1 per cent this year and 3.1 per cent next.

Oil and commercial companies' real price rate of return is likely to fall this year to below 2 per cent, its lowest recorded level.

The fall in overall output in the first half of this year, which has intensified in recent months, will continue into the second half.

The manufacturing sector, and possibly construction, are likely to be the two broad sectors where the greatest falls in output will take place.

Company profits and liquidity remain under severe pressure, although there appears to have been a recent and temporary slight easing in some companies' liquidity as a result of declining costs.

But the CBI is optimistic that a more realistic approach towards pay is being taken in wage claims reported through its regional offices.

NEDO paper draws bleak picture of UK industry

By Our Industrial Staff

Britain's economic and industrial performance is criticised by the National Economic Development Office (NEDO) in a paper comparing the United Kingdom with its main competitors.

Mr Geoffrey Chandler, NEDO's director general, writes in the introduction to the paper, entitled "British industrial performance": "The picture which appears from the data analysed here is sombre."

In every respect, the relative achievements of the United Kingdom have been and remain poor.

"This survey is intended not as a source-book for despondency but as a point of departure for change."

The general picture of poor performance and slow growth compared with our competitors in Western Europe. Unlike them, we have failed to begin to catch up with the United States.

Current developments suggest that the structural weaknesses of the economy are likely to persist for some time.

From Richard Hughes, *Hong Kong*, August 29

Electric competition is expected between Japanese and United States oil groups for offshore drilling rights in the South China Sea.

Several United States oil companies have already submitted development proposals to Peking after completing seismic surveys and providing data on oil prospects in the region.

Japanese oil companies did not participate in the surveys but are paying high prices to the Peking authorities for copies of the data.

Competing United States companies which surveyed certain areas are similarly obtaining the data provided to Peking by rival United States companies who surveyed other areas.

THE POUND

Rank	Buy	Rank	Sell
Australia	2.10	Norway	11.80
Austria	2.55	Portugal	12.00
Belgium	37.25	Spain	176.50
Canada	2.80	Sweden	10.20
Denmark	13.60	Switzerland	4.60
Finland	3.97	USA	1.43
France	27.25	Yugoslavia	75.25
Germany DM	4.48		
Greece	104.00		
Hong Kong	12.00		
Ireland	1.17		
Italy	200.00		
Japan	545.00		
Netherlands	2.60		

The only broad sector where output may have been rising is the government sector, according to the survey, which defines government output as expenditure on items other than procurement. Total government expenditure last year was 10.1 per cent higher.

The survey forecasts that the level of output for the economy as a whole will broadly stabilise from the end of the year, though the CBI admits that this prediction is subject to a large margin of uncertainty.

Beyond 1981, the timing and scale of any recovery will largely depend on the speed with which United Kingdom cost inflation declines, competitiveness improves, and on developments in the world economy.

A factor that will tend to stimulate United Kingdom demand will be the impact of sharply rising government revenues from North Sea oil and gas.

A slight fall in the sterling exchange rate during the next 18 months because of a fall in interest rates is predicted. But the CBI does not expect the fall to be large enough to prevent a further slight deterioration in United Kingdom unit cost competitiveness.

The survey also expresses doubts that the Government will meet its target of fixing the Public Sector Borrowing Requirement at £5,500m in 1980-81. The PSBR is likely to turn out somewhat higher, according to the CBI, because government current expenditure volume will be greater than planned.

Industrial and commercial bank borrowing will increase substantially in 1980-81, though borrowing by the personal sector will be considerably smaller, reflecting little or no growth in real incomes, high interest rates, and repayments of earlier borrowings.

Company profits and liquidity remain under severe pressure, although there appears to have been a recent and temporary slight easing in some companies' liquidity as a result of declining costs.

But the CBI is optimistic that a more realistic approach towards pay is being taken in wage claims reported through its regional offices.

Within the industry there is a growing feeling that in future the headquarters of British Shipbuilders will be in its regional offices at Newcastle upon Tyne, with the London headquarters being pared back considerably.

Meanwhile, the key post of board member in charge of finance will be filled against the background of the moves to make the corporation financially successful again, and the

state had raised the purchase price of farm and sideline products in rural areas, reduced or increased taxes for peasants, increased employment and raised wages.

China plans to start levying taxes this year on some individuals as well as joint ventures involving Chinese and foreign investment.

Mr Wang gave few details of the taxation proposals and said that among outlays for this year, 2,170m yuan (\$1,460m) would go to pay the principal and interest for foreign loans.

Mr Wang told more than 3,200 delegates attending the congress that China must strengthen its planning and management in importing advanced technology and equipment to obtain the quickest possible economic results from foreign loans.

This had to be linked in coming years to the readjustment of the national economy.

Expenditure in 1979 exceeded by 17,050m yuan (\$11,680m), Mr Wang announced. He said the deficit mainly resulted from China's economic readjustment programme—the 2-year-old realignment of various sectors of the economy. Emphasis had shifted away from heavy industry and expenditure were increased for agriculture and light industry, Mr Wang reported the

government would introduce a regulatory business tax and resources tax.

Bank loans instead of state appropriations would be used next year to finance capital construction investment—except for administrative building and several special projects. In the past the state had given large sums for construction projects without proper safeguards against cost overruns, bad planning or poor management.

Mr Wang announced that value added tax would be introduced for machinery and farm equipment to solve the problem of double taxation on some industrial products.

State farms last year made profits totalling around £300m yuan (\$198m), Mr Yao Yilin, the vice-president, told congress.

Mr Yao, who is Minister in Charge of the State Planning Commission, said state farms had long been running at a loss. In 1978 they had been 90m yuan (\$60m) in debt.

The operating funds of state enterprises had been reduced by 6,400m yuan (\$4,100m) last year over the 1978 figure.

This measure was taken as part of the economic "readjustment" undertaken at the beginning of last year.

Mr Yao also indicated that research, nuclear and solar power, as well as in other new energy sources, would be stepped up.

Agencies.

Political intrigue behind nominee buying which has put up to 30pc into Far Eastern hands

A full takeover bid for Dunlop Holdings is expected within the next month from Malaysian business interests.

Far East sources indicate that the motive for the bid for the company, which is headed by Sir Campbell Fraser, is to do with industrial logic on the part of an expansion-minded company, but is the result of an intrigue involving top Malaysian politicians.

It is understood that Mr Ghafer Baba, a wealthy businessman and vice-chairman of the ruling United Malay National Organisation, wants to further his political career by being the first Malay to bring home ownership of a British company. Last year the Far Eastern group Sime Darby failed in its bid for Gohrie, the London-based Far East trading group.

The recent heavy price in Dunlop shares, which took the price to 77p on Friday and has added 50 per cent to their value in the last year, is thought to have been caused by Mr Baba's political opponents who are anxious to match the 10 per cent stake held by

him and his Compieg Kewangan trusts. Dunlop knows that about 20 per cent of its shares are in the hands of Far Eastern owners. Unconfirmed reports that the figure is now nearer 30 per cent are thought to be conclusions drawn from the recent appointment of Rothschild's, the merchant bankers, to advise the principal Far Eastern holders.

Far Eastern buying of Dunlop started in February and much of the buying has been done under the anonymity of nominee holders. It is understood that Kuala Lumpur-based Lorient nominees account for 10 per cent while Singapore-based Guineco is one of a number of nominee companies who together own 4 per cent.

Late in July, after five weeks of trying to discover the real owner of the shares, Dunlop asked the Department of Trade to appoint inspectors to investigate.

Inspectors have already been out to Malaysia and visits have been made to Laurence, Prust, and James Canal. Although the inspectors have little power over owners, they could freeze any change in ownership of shares, disenfranchise them and remove their entitlement to dividends.

Philip Robinson

loph has also been mustering other defences with the Department of Trade. It is understood that any takeover bid from the Far East would be virtually certain to attract a reference to the Monopolies Commission.

In addition the complex connexion between Dunlop and the Italian group Pirelli means that both would need to agree to a bid for either company.

Dunlop directors are to meet this week to be brought up to date with events. The agenda is unlikely to include any report from the department's inspectors, although privately it is thought they have discovered some "interesting" information.

The inspectors were appointed under section 172 of the Companies Act 1945. It is only the second time this section has been used—the first was to discover who was buying heavily into Consolidated Gold Fields recently.

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Philip Robinson



Sir Campbell Fraser: fighting Overseas takeover bid for Dunlop.

British Shipbuilders' finance chief leaving

By Peter Hill

Mr Maurice Elderfield, board member for finance at British Shipbuilders, is leaving the corporation.

He was appointed to the key position by Mr Eric Varley, former Secretary of State for Industry, and began work in December 1977.

News of Mr Elderfield's departure came two months after the appointment of Mr Robert Atkinson as chairman of British Shipbuilders, who is also the corporation's chief executive. Suggestions that there has been a boardroom rift between them have been rejected, however.

A spokesman said: "Mr Elderfield indicated some time ago that he would not be seeking a renewal when his present three year contract expires at the end of November."

The new chairman of British Shipbuilders is expected to present plans to ministers on the measures he proposes to take to meet the tough financial limits set by the Government.

Every effort must be made to remain within the £120m cash limit set for this year. Mr Elderfield will be the third senior executive to leave the corporation this year. In July, Admiral Sir Anthony Griffin, the former chairman, retired, and in May Mr Michael Casey, the former chief executive, left when his period of secondment from the civil service was not renewed. He has since returned to working in the private sector.

Mr Elderfield joined British Shipbuilders from Ferranti, where he was senior financial appointments in the public sector including the South Eastern Gas Board, the Southern Water Authority and the Post Office.

During his period with the corporation he has retained the chairmanship of Throgmorton Trust. He was not available to comment on his departure.

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Building contractors in drive to win more work overseas

By John Huxley

A fresh initiative is to be taken to improve the flagging export performance of Britain's building contractors.

Within the next few weeks the National Economic Development Office is expected to name the man chosen to lead a new drive to win a greater share of overseas construction work.

Among the leading contenders for the post is Sir Albert Lamb, Britain's ambassador to Norway.

Sir Albert has spent much of his diplomatic life in the Middle East, which is still regarded by the construction industry as a potentially important source of new orders.

The decision to appoint a leader for the drive was taken after a report by the Civil Engineering Economic Development Committee on overseas capital projects. It represents a further attempt to provide appropriate coordination support for British contractors in what has become a fiercely competitive market.

In a few weeks the Department of the Environment will publish figures showing the value of work carried out and won by contractors in the past financial year. They are expected to show that the decline in the overseas workload has continued.

In the 12 months to March last year the value of contracts gained was £1,299m, down by more than a quarter on the previous year. The drop of £346m came after six years of growth which had played an important role in compensating contractors for a decline in domestic orders.

Work done in 1978-79 increased by £80m to £1,667m, but for some time it has been

accepted that contractors were living off large contracts which have since been completed. Generally, replacement work has not been forthcoming.

Nevertheless, the construction industry contributes a healthy surplus to Britain's balance of payments. In 1978-79 earnings amounted to £2,700m. Of this £345m came from contractors, £460m from consultants, and the balance from building materials manufacturers.

The lack of new orders overseas is causing particular concern to the industry because domestic workload has continued to slump. Civil engineering workload is now more than 30 per cent down on the levels of the early 1970s, and further reductions are expected.

Part of the decline overseas has been caused by the completion of large projects and the subsequent cut back in spending, especially in the Middle East. Oil-rich countries have found the number of worthwhile large projects increasingly limited.

New orders won in the Middle East, traditionally a good market for Britain, fell from £851m to £657m in 1978-79.

However, British contractors have also faced intense competition from both European and Far Eastern rivals. There have also been suggestions that by comparison with other countries Britain's efforts have been handicapped by lack of coordinated support for contractors bidding for overseas work.

It is hoped that the appointment of a leader for the construction industry's export drive will meet this criticism, and improve market intelligence available to contractors.

Already, investment with Britain's first venture into mass production of semi-conductors through its stake in Immos, the NEB has interests in a number of other technology industries, including office automation, viewpoint systems and computer software packages.

Last month the board announced its first major venture since the NEB was reconstituted under the chairmanship of Sir Arthur Knight. In that venture the board took a minority stake in a company designed to exploit British research in biotechnology.

But against the background of the transfer of responsibility for supervision of Rolls-Royce from the NEB to the Industry Department and the requirement under the new Industry Act and the NEB guidelines that it divest itself of private able investments to the profit sector, the board is pressing for a fundamental change in its financial target. Discussions now taking place are focused on the best formula

Plans for 121 factories to aid Welsh jobless

The Welsh Development Agency plans to build another 121 factories to provide jobs in high-unemployment areas of Wales.

The agency said the extra 232,000 square feet of factory space, created to attract new industry, would be able to supply nearly 1,000 jobs. Building work on the first of the units is expected to start early next year.

The scheme provides for 72 factories in Gwynedd and 49 in the county of Dyfed. All of them are geared to the needs of small businesses associated with rural areas and will be under 5,000 square feet in size. For the first time some of them will be as small as 750 square feet.

The programme was originally planned for the spring of 1979, but postponed because of cash restrictions.

The Isle of Anglesey, in the

Gwynedd area, where nearly 3,000 or more than 14 per cent of workers are jobless, cent of the new buildings. Work on this latest building programme for the two counties has been delayed until now because of the Government's public spending restrictions.

Mr Ian Gray, managing director of the agency, said local authorities were being asked to allocate still more land for providing modern factories.

"We are very encouraged by our continued success in finding tenants for our factories," he said.

"Allocations of premises in the past six months were up on the level recorded in the same period last year and another 2,300 jobs are in prospect as a result."

An announcement about further factory building in Gwynedd, in north-east Wales, a county which has suffered some of the biggest job losses recently, is expected shortly.

Citing a report by Mr Yao, the Chinese agency said China would compensate this low growth by "vigorous" energy-saving efforts.

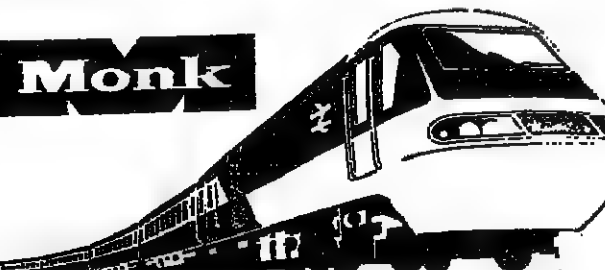
Mr Yao told congress delegates that technical transactions and a host of structural reforms would be introduced to save seven to eight million tons of coal next year.

Energy targets for next year predict a stagnation of oil production to its current level: 106 million tons, a 10 million ton rise in coal output to a total of 620 million tons and a marked increase of electricity production, expected to reach 312,000 million kWh.

In the petroleum sector, China would soon issue calls for tenders for joint exploration and development of its offshore fields, Mr Yao said.

Mr Yao also indicated that research, nuclear and solar power, as well as in other new energy sources, would be stepped up.

Agencies.



Monk has construction ideas

"The main rail line on which Monk is currently engaged is scheduled for completion in 2½ years time."

Constructing the East Coast Main Line round the Selby Coalfield takes time. Valued at just under £30 million this contract is just one of many major projects currently in hand by this national contractor.

The Annual Report reveals a £88.2 million turnover, including contracts for I.C.I., Courtaulds, Phillips, Unilever and other major clients, both in the private and the public sector.

It takes a resourceful company to construct multi-million pound projects and its diverse activities include the new Monkraide Engineering division.

Copies of the Annual Report and

BY THE FINANCIAL EDITOR

About-turn on FAS 8

Life should soon become a little easier for accountants in United States multinationals and those British giants like Shell, BP and ICI which for Securities and Exchange listing reasons have to follow United States accounting practice.

The Financial Accounting Standards Board, the body which draws up the rules which govern American corporate reporting, has completed the promise which it made in its controversial rule on accounting for currency fluctuations, FAS 8.

The new proposals, which are to be announced in the United States tomorrow, amount to a reversal of the principle which underpinned FAS 8, and as a result successfully deal with most of the complaints against the old standard, the most serious of which was that it caused violent and unnecessary fluctuations in reported profits.

Prominent critics of the standard, among them Royal Dutch/Shell, claimed that having to show the unrealised as well as the actual gains and losses caused by currency movements every quarter actually confused shareholders by masking a company's underlying trading performance.

There are two major changes of policy. First, all company assets and liabilities in future will be translated at the same exchange rates—those ruling on the balance sheet date. FAS 8 caused fluctuations by ruling that debt be translated at current rates while the assets purchased with that debt be left in the books at historic rates. Revenues and expenses will continue to be translated at the rate in effect when the transactions occurred.

Second, the FAS 8 has accepted that the purely paper gains and losses caused by currency movements should not be immediately charged against profits. Instead they can be shown as a separate entry and accumulated until they are either cancelled out by subsequent fluctuations, or they become so great the directors feel it prudent to write them off.

Because it is pragmatic rather than theoretical, the standard can expect fierce criticism before it is finally adopted towards the end of the year. But assuming it survives intact, it should mean an end to the damaging practice whereby companies to minimise their accounting exposure would juggle assets between foreign subsidiaries to an economic purpose. Shareholders as well as companies have reason to be relieved.

Futures markets

London takes up the gauntlet

London's commodity markets have embarked on a significant expansion this year. After appearing to lag behind their American rivals in inventiveness, they are beginning to close the gap. New markets in gas oil and gold futures are in preparation, and proposals for a financial futures market will probably meet with official, albeit grudging, approval soon.

An important spur has been competition from Chicago, whence many of the new markets have originated, and from New York, as well as with emerging centres such as Hong Kong, which has threatened London's traditional dominance.

While competition has been a crucial factor, London is also responding to trends affecting all commodity market centres. Years of persistent inflation have sharply diminished the attractiveness of equities and fixed interest investments.

Only commodities—or more precisely, futures—offer the kind of returns to offset inflation. Americans dealing in London to circumvent regulatory authorities have been influential in developing new business.

But individuals, important as they are for the life and character of a market, are still far smaller traders than industrial users. For them, the attraction of futures is hedging against the increased volatility of raw material prices caused by inflation, political instability, and mounting conflict between producing and consuming nations.

Gas oil futures nearly fit into this industrial trend. The market's progenitors hope that it will eventually embrace a wide range of oil products, perhaps even crude oil, and will be used by the oil companies. It could even lead to attempts to revive proposals of the early seventies for markets in bulk chemicals like benzene.

But gold and financial futures are different. The former does clearly allow industrial hedging, although the United States experience suggests it is a prime target for speculators. The particular challenge to

London is that the "principals only" contract will have to be replaced by a clearing house system.

This is an historic break with tradition and practice in London, pointing possibly to further use of a clearing house by the London Metal Exchange, which has hitherto resisted any such move.

Financial futures are more controversial. As in the United States, they are viewed with suspicion by the authorities, who fear that their control over the money supply could be made even more difficult. But the main demand is again from industry—except this time it is mainly from the securities industry, whose members have to grapple with interest rate forecasts.

Gold and financial futures will almost certainly introduce considerable extra liquidity into futures markets. A lot will come from overseas, greatly assisted by the absence of exchange controls. Yet the higher level of activity will also attract closer scrutiny from the authorities, especially if gold and financial instruments are involved.

The ironic outcome could well be closer regulation, as the tougher stance of the United States authorities has already indicated.

Wall Street Interest rate worries

Wall Street has only now paused for breath after the headlong rise from the end of March. Investors who bought United States shares then have seen them rise by around 25 per cent, as falling interest rates and high institutional liquidity have encouraged a return to equities.

Interest rates have fallen from their high levels in record time. So, for example, the 3-month Treasury Bill rate, which stood at 16 per cent by the end of March, halved in less than three months. At the longer end of the market, more important for equity investment, bond yields fell from over 13 per cent to just over 10 per cent by the end of June.

With the differential narrowing and high institutional liquidity, it was perhaps inevitable that shares would benefit. Institutions had been wary of bonds after the highly volatile conditions which prevailed earlier in the year and many sought to increase the proportion of equities in their portfolios.

More recently there has been speculation over the presidential elections. Some investors believe that a Reagan victory will be favourable for share prices because a new Republican administration would be expected to pass legislation favourable to investors, including tax cuts, depreciation allowances and possibly concessions on capital gains tax. In fact the Carter programme also promises some reflexionary measures which should help corporate profitability.

There are already signs of a prompt pickup in the United States economy. The index of leading indicators has been rising since June, registering a record 4.6 per cent rise in July. Order books are filling up, the strikes car industry shows some modest signs of recovery and housing starts are increasing. This has been enough to push interest rates up, partly as a result of a revival in the demand for credit.

Prime rates have now moved up again from 10.5 per cent to 11.5 per cent. Yields on long bonds which had touched 10 per cent at the end of June are now back to 12.5 per cent. There could be further rises in interest rates as we are now coming into the traditional season of high borrowings by the Federal Government.

Interest rates are probably enough to explain the recent relative weakness on Wall Street where prices have fallen steadily. At the same time institutions have probably picked up enough shares to realign their portfolios.

With prospects of better corporate profitability and with both political parties now promising what would effectively be favourable policies for business, shares may have further to go at some stage over the next year. After all the Dow Jones index at 930 is still substantially below its all-time high of 1051. But there are various clouds on the horizon.

The recovery may be short-lived if only because it is starting from a low level of inflation and conservative oil energy costs will prevent a buoyant revival. As against that share ratings and yields are still modest on historical comparisons.

Washington

President Carter's new economic programme, his third this year, has so far proved a mild public relations success. He has managed to present it as aimed at speeding economic recovery while also being "responsible"—which in this year's political language means non-inflationary. This is contrasted to the big across-the-board cuts in income tax advocated by his presidential opponent, Governor Ronald Reagan.

But President Carter's statement signals a fundamental shift in the Administration's stance from earlier this year. Mr Carter's last economic package, in March, was aimed at compromising on bringing down inflation, which had soared to record levels. Recession was encouraged as a necessary albeit unwelcome, of achieving this.

In contrast, the President's speech last Thursday, included the comment that "inflation and recession suggest each other, and while we must do much of the need to avoid an inflationary tax cut this year, Mr Carter also stressed the importance of 'putting people back to work'."

There are two main reasons for this shift. One is that recessions are unpopular and painful at any time, and even more uncomfortable for a government on the verge of an election.

The timing of the President's package was dictated by the election. It is effectively a budget statement made six months

earlier than usual. The storm whipped up this summer by Mr Reagan's call for an immediate tax cut left President Carter with little option but to announce alternative tax and spending proposals of his own. The other reason for shift is that recession does not seem to be working too well any more as a cure for inflation. The sharp slide in United States output in the late spring coincided with a slow down in price rises. Together with the government's credit squeeze in punctured high and rising inflationary expectations which themselves threatened to make inflation worse and to push interest rates still higher.

But the Administration's own forecasts do not see inflation coming down very much more next year even with no stimulus to the economy and a still high level of unemployment.

The President's plan admittedly includes a few democratic frills, such as an extension of the eligibility for unemployment benefits and aid to the most depressed industrial areas. His suggested cuts in income tax would also help the lower paid. They would roughly offset a rise in social security payroll taxes due to take place in January. These hit hardest at the low paid.

Mr Carter would also reduce the unpopular "marriage penalty" whereby a married couple pays more tax than if each were single.

In contrast, Governor Reagan wants to cut by 10 per cent the amount of tax paid by each

body of unions, management and the public to advise the government on how to "revitalise the economy" and set up a new agency to channel funds into industry. The new Economic Revitalisation Board, if it became powerful would mark a radical change in the relationship between government and industry in America. But it is unlikely to be given much power, nor money for some time at least.

The rest of President Carter's plan, despite Senator Kennedy's endorsement of it, is much more like a Republican than a Democratic platform. But when in this strange election Mr Reagan's proposals, while they would give most to the wealthy, are more in line with the traditional Democratic cure for recession through consumption oriented income tax cuts.

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individual. Clearly, the rich who pay most tax would get the biggest dollar reduction and those too poor to pay any tax would not gain anything while still being liable for the extra social security contribution.

But whereas Mr Reagan's plan would give personal tax cuts of just under \$30,000 in 1981, rising to an astonishing \$170,000 or more a year by 1985, the President would give back only about \$12,000 in income tax next year and less than \$20,000 by 1985.

Since inflation alone is expected to drag up the income tax burden next year by about \$15,000, the President's tax cuts would leave Americans paying more in income and payroll taxes next year than this.

Industry

The picture is very different for industry. More generous tax allowances for depreciation have been seized upon this year by most people in the United States establishment as a passport for low investment and stagnant productivity.

Republicans support a radical simplification in the structure of tax allowances for investment that would cost about \$6,000m next year and almost \$50,000m a year by the mid 1980s. Mr Carter, and others, criticise this as heavily biased in favour of property investment, rather than capital spending on industrial plant and equipment.

The President's own depreciation plan would enable all

firms to write off their investments 40 per cent faster than at present, thereby getting substantially bigger tax allowances. He also suggests a refund for companies which invest, but have no tax liability and various other measures to aid small businesses in particular.

Next year companies would get just over half of the President's \$27,600m tax cut, equivalent to an enormous proportionate reduction in corporate taxes. By 1985 business would reap two thirds of the gain. It is small wonder that the business community has so far voiced little complaint about the President's plan.

But as the Presidential campaign heats up this autumn Mr Carter may not have such an easy time. Americans have generally fared much better over the last four years than the rest of the industrial world. But President Carter is widely blamed for all the present economic ills.

If he is re-elected it is very unlikely that his latest proposals would survive intact through Congress. Bigger and better personal tax cuts would almost certainly be added. Even if they do get through, however, the evidence suggests that investment incentive would just prove a slower and less efficient way of raising consumption and employment than direct cuts in income tax would have been, while doing little and that very slowly, to raise productivity growth.

Caroline Atkinson

Liverpool's unique 'local born blacks'

The second article in an occasional series on Britain's ethnic minorities.

Of what "race" is a person born in Liverpool whose paternal grandfather was Chinese and whose mother was born in Liverpool of Welsh and African parents?

This was the perplexed cry of Mr Colin Watts in the course of research into the job prospects of what he first British city but Liverpool would be called "immigrants".

Faced with this "combination in Liverpool", Mr Watts was driven to adopt a rough-and-ready description of his own. He chose to describe as "local born black" those born in Liverpool whose features appear African, Caribbean, Asian or Arab.

Only the Chinese, another numerous and long-established local community, retained their separate identity for the purposes of his study.

The position of "local born blacks" in Liverpool, however, is perhaps unique to this country. Unlike the case in other big British towns, even Bristol, which also has a long-established non-white community, there are few recent immigrants from Asia or the Caribbean in Liverpool.

Many, perhaps most, of the local non-white community came because of Liverpool's preeminence as a seaport. This community goes back at least to the beginning of the last century, to the heyday of the slave trade of which Liverpool was a principal centre.

So much intermarriage has taken place that, again quoting Mr Watts, "many of the original 'negro' origins are now 'meaningless' terms. But colour remains, and as elsewhere, it is a far from meaningless term. The strange status of the "local born blacks" in the centre of the city and the inability of the white community to see let alone change that position, mock the hopes of those who trust to time and to assimilation to improve the lot of more recently arrived black immigrants in Brixton or Southall.

As in other British cities, the non-white population is clustered in the centre of the city. More than half live in the few wards known collectively as Liverpool 8. But, again unlike the case in other British cities, all but a very few of the most recent arrivals speak the same language as the white population. If it is true that most non-whites do the same work as



Liverpool street scene: the non-white community goes back nearly 200 years and there are few recent immigrants from Asia or the Caribbean.

think of themselves as Liverpoolians.

The contrast that springs to my mind when walking round the city centre, however, is not with other provincial British cities but with Salisbury, Zimbabwe. Even so, before Mr Mugabe's landslide victory in an avowedly racistist state many black faces were to be seen behind the counters of the smart shops on Jameson Street (now renamed after President Samora Machel of Mozambique).

In Liverpool, on the other hand, a city with possibly the oldest established "black" community in Britain, a multi-racial country, hardly a non-white face is to be seen serving in the shops of Lord, Dale or Church Street. Yet many of the city's "local born blacks" live within half an hour's walk.

This is the visible side of the chronic, but largely ignored wound in the city's economic and social structure. Many Asians work and prosper as restaurateurs, laundresses or shopkeepers in small family concerns. A few local Chinese, Moslem or West Indian businessmen are emerging, but for most "local born blacks" the position is bad and worsening. If it is true that most non-whites do the same work as

whites in Liverpool, it is also true that they find it much harder to get, rise in or even keep that work. In the words of the economists they are a "marginal reserve group of labour".

In central Liverpool, where most blacks live, the chances of unemployment are four times greater than on the periphery. Seagoing and the docks are no longer the employers they were and manufacturing industry either moves to the

outskirts or closes down altogether.

Again, there is a higher proportion of young black people than white and they are caught by the disproportionate rise in youth unemployment throughout the country as a whole.

Liverpool's youth unemployment is about 40 per cent, for young blacks it is nearer 60 per cent, and for the women it is worse than for the men. Local blacks are denied jobs by a discrimination that starts

even before the interview. This is a local speciality known as "discrimination by post." Because so many blacks live in the peeling Georgian squares of Liverpool 8, it is easy for a discriminatory employer to reject any written application bearing that postmark or address.

When Mr Watts spoke to young clients of South Liverpool Personnel, a Liverpool 8 employment agency, he found that half the young blacks on the books complained of discrimination at employers' interviews.

A "local-born black" who tries to find jobs for Liverpool 8's young, said: "The corporation is the biggest employer around here, but they do not have an equal opportunity programme; they do not have on equal opportunities officer; and they do not have a monitoring system. They do not think there is a problem."

Of the private sector employers, he said that they fought shy of blacks because of "assumed racism". "They assume people will not like working with a black person or will not like to be served by a black person."

"Where in most communities you get people saying to young people 'Achieve something at school and you'll get a job', my advice to my kids (he has four) is 'Get on at school, get as much out of it as possible, and then get out of Liverpool, because there is nothing here for you'."

Rosie Davies

*Black Prospects: a report on the job prospects of Liverpool-born blacks. South Liverpool Personnel, 051-709 2096.

Business Diary profile: Sir Henry Chilver, changing the PO

A professional educationist may not seem at first sight to be a likely candidate for running a public corporation like the Post Office. But a second view might suggest that it is imaginative to appoint to the post a man whose entire life has been spent helping to solve engineering and management problems and teaching people how to cope with them.

"Confirmed educationist" is the definition Sir Henry Chilver, new chairman-designate of the Post Office, uses of himself. "I'm not interested in the collection of jobs and power bases for their own sakes," he says.

All his management skills and engineering expertise may well be needed as he steers the Post Office through its break-up into Post and Telecommunications.

"Some one must be in a position to aid the transition and principally someone who is effectively an outsider," Sir Henry says.

He will do other things, to ensure that the post side of the Post Office, chaired by Ron Deering, and telecommunications, chaired by George Jefferson, split on schedule. This schedule should be completed within the next year, hence Sir Henry's short coat. His tract of 12 months, beginning on September 15, in theory the post should take only 20 per cent of his time, but he admits that the estimate is a very loose one. Development on robots



Sir Henry: robotics in the sorting room.

Sir Henry has been prominent in moulding the post graduate work of Cranfield Institute of Technology, where he is Vice-Chancellor. His public face was well exposed when he published a report in 1973, the post should take only 20 per cent of his time, but he admits that the estimate is a very loose one. Development on robots

first-class honours in mechanical engineering from Bristol, where he remained after a year in industry.

A qualified mechanical engineer he was to diversify under the guidance of Sir Alfred Fugley, an eminent engineering research into structures. By 1950 he had received a doctorate of philosophy for his work and within four years he moved to Cambridge to take up a lecturing and research post.

During his stay, which was to last until 1961, he was made a Fellow of Corpus Christi College.

Further honours came when Bristol University bestowed on him in 1962 a Doctorate of Science, after he had been appointed Professor of Civil Engineering at the University of London. This appointment was a tribute to his versatility.

Another honour was the award of the Telford Gold Medal by the Institution of Civil Engineers, also for his work on structures. His latest technical pursuit was in the field of microelectronics where he has channelled much energy into his researches at Cranfield.

Although a "confirmed educationist", he is decidedly not a cloistered academic, and he has encouraged colleagues to become actively involved, like himself, in industry.

He is excited about his new appointment. To be in a position not only to make the Post

Office's change a success but to be in close contact with the complexities of that change is stimulating.

Sir Henry's interests outside technology and management are as diverse as they are within them. He has supervised Cranfield's transition from being a college of aeronautics to a centre of advanced study embracing subjects over the entire spectrum of industrial learning.

He has also ensured that the courses it runs are practical and related to the real world, encouraging the running of several hundred courses for managers and engineers employed in industry.

Again his emphasis has been to provide a stimulus to learning that is not purely academic but which can be used by the people attending the courses immediately on their return to their jobs.

He keeps informed by being involved with industry directly. He is a non-executive director of a number of public companies, including De La Rue, Deltic Metals, English Clays and Powell Duffryn.

Sir Henry would admit that he could well have become a banker, if he had not followed his present career. He concedes that it looked "a very good life."

Bill Johnstone

PSIT Property Security Investment Trust Limited

Property Income Up

Scrip Issue

Extracts from the statement by the Chairman, Mr. A. R. Perry.

- Net property income has risen from £3.28 million to £3.75 million.
- Profit before tax rose from £360,000 to £865,000.
- Further lettings at Newcastle, Goole, Broadbeath and Manchester.
- Pre-let developments in Aldershot well under way.
- Planning permission for warehousing and offices in Dublin.
- Group has adequate financial facilities.
- Scrip issue 1 for 4 ordinary shares.

Results for the year ended 31st March 1980

	£'000s	1980	1979	1978
Rents receivable	4,302	3,735	3,177	
Net property income	3,746	3,282	2,771	
Surplus before tax and extraordinary items	865	360	(77)	
Ordinary dividend per share	1.8p	1.6p	1.3933p	
Share capital and reserves	37,110	34,972	16,267	

*Adjusted for scrip issue

Copies of the complete Report and Accounts may be obtained from the Secretaries, W. H. Stentford & Co., 1 Love Lane, London EC2V 7JL.

PREEDY

	1980	1979
March 29th Turnover	£'000 68,261	£'000 64,333
Operating profit	1,368 (643)	1,253 (157)
Pre-tax profit	843	1,238
Total dividend	3.35p	3.35p

Mr S. L. Preedy, Chairman, reports — "Operating profits show an increase of £115,000, but include a full year's contribution (£403,000) from Midland Educational which only provided four months' profits (£202,000) in last year's accounts."

A good performance from the smaller newsagents shops was largely offset by disappointing results last summer in the larger stores. During the year 11 new stores and shops were added, 8 were sold or closed and 4 rehoused in larger premises.

The wholesale division had a good year, particularly the traditional (delivered) trade.

A property revaluation showed a surplus of £2.2m."

Multiple retailers of books, stationery, news, tobacco, confectionery, greetings cards, toys, records, china and glass from 196 branches nationwide.

Wholesalers of tobacco and confectionery from 7 branches.

FINANCIAL NEWS

Benjamin Priest looks Spotlight on stores and insurance to better times

By Our Financial Staff

Mr Charles Wardle, chairman of the West Midlands industrial fasteners group, Benjamin Priest & Sons (Holdings) tells shareholders in his annual report today that demand has fallen sharply since March.

The group, which has reported pre-tax profits for the last year jumped a fifth to a record £3.1m on a turnover of three-quarters to near £50m, has experienced extremely harsh trading conditions during the opening months of the current financial year in which general levels of demand have fallen sharply.

Mr Wardle added: "It is very difficult to make any forecast in the short-term. However, looking further ahead the group is well placed to make the most of growth opportunities that will exist in the majority of our markets."

The group's current first-half ends next month. Last year it made profits of £1.2m during the period which would have

been £350,000 better had it not been for the engineering strike.

In the six months to last March, Priest came in with a strong performance topping the comparable period in 1978-79 by £300,000 and bringing second-half contribution to £1.5m.

In his report, Mr Wardle shows an extraordinary item of £211,000 which has been incurred principally as a result of the group's decision to halt the container making and pre-fabricating operations of S. Taylor.

During 1977 and 1978 Taylor had expanded these activities before becoming part of Warner, Wright & Rowland which Priest bought in November, 1978.

Included in the extraordinary item is a provision for the planned re-organisation of associate company Integrated Handling (Southern) which has handled the group's material handling equipment but whose sales force is now to be centralized.

Pahang to make counter-bid for Tanjong tin mines

London-based Pahang Consolidated of Kuala Lumpur will offer £1.15 a share cash for outstanding shares in Tanjong Tin Dredging.

This is a counter-bid to a £1.05 offer from a Malaysian family concern, Baring Bros and Co said in a Telex message to the Kuala Lumpur Stock Exchange.

Pahang, which already holds 29.8 per cent of Tanjong's issued capital of £1.49m 15p par value shares, said its offer is conditional on acceptance of more than 50 per cent of total Tanjong issued capital and United Kingdom and Malaysian government approval.

The Kuala Lumpur Stock

Exchange said it will lift suspension of Tanjong shares tomorrow.

The other bidder, the family holdings of Malaysian business man and Tanjong director, Mr David Kuok, recently said it holds 25.89 per cent of Tanjong's issued capital.

Baring Bros noted Tanjong which operates one dredge in Perak State, earned £242,000 pre-tax in 1979 and had net attributable tangible assets of £592,000 as at end-1979.

Pahang, which mines tin from lodges in Pahang state, intends the business of Tanjong should be continued and developed if the takeover succeeds, Baring Bros said.

Tomkins finds little grounds for optimism

Mr Gerald Garman, chairman of toolmakers and fasteners group F. R. Tomkins tells shareholders in his annual report today that he expects the present recession to be much deeper.

Mr Garman says the combination of high interest rates and gloomy economic forecasts gives little ground for optimism in the foreseeable future.

However, his group, last year pushed net profits from £1.65m to £2.06m, with two substantial development schemes; one for its O. D. Guest offshoot and the other a service warehouse.

Big increase for Saudi Int. Bank

First-half figures released today for the Saudi International Bank show that total assets of the bank, 50 per cent owned by the Saudi Arabian Monetary Agency and formed in 1976, rose by 40 per cent to £852m.

Shareholders' funds for the six months to the end of June have increased from £41m to £44m and deposits have risen 42 per cent to £781m.

Executive director and chief executive officer of SIB, Dr Andreas R. Prindl, said the results confirm the bank's rapid expansion over the past four years.

The first week of September sees the stores sector get underway with some of the more promising companies, including House of Fraser, producing results. They will be disappointing but not particularly surprising considering the already well-chronicled effects of the recession on consumer spending.

Insurances also figure strongly with Guardian Royal Exchange, Sun Alliance and Phoenix Assurance all reporting on Wednesday, while HS produces second quarter figures on Thursday.

On the economic front, the CBI Monthly Trends Inquiry comes out today. On Wednesday the Treasury announces the August-United Kingdom official reserves, while the Bank of England publishes capital issues and redemptions for last month.

Advance energy statistics for July are due out on Thursday as well as August's provisional figures of vehicle production and the second quarter balance of payments results. Finally, on Friday the second quarter company liquidity survey is published.

House of Fraser leads retailing news tomorrow with its half-year figures while analysts are pitching at around the 51m mark compared with £7.8m last time. The group, which has rarely left the headlines in the last few months, is faced with a 20 per cent rise in costs with sales up only 10 per cent.

Tourist trade in London—the group owns Harrods and Bakers of Kensington—has

been poor and the group's interest charges will have doubled from last year's £3m to more than £6m for the period as borrowing costs have increased and interest rates have been up to 50 per cent higher than during the first six months of 1979.

In addition wages have risen by 15 per cent and although the group has tried to contain these by reducing numbers, they are still higher than the sales index.

This week

The interesting question is whether House of Fraser will do about the dividend which last year stood at 2.85p gross. Having fought off the Lombe stock market, it is not clear what the dividend will be.

Wedgewood, which is announcing its first quarter results tomorrow, is also going to show all the impact of the recession on a manufacturing industry which is dependent on exports. The figures are likely to be in the region of £200,000 although it is possible there will even be a loss. This compares with £570,000 for the same period last year which itself was a downturn on the previous year when the group made £1.5m.

Weak demand, a strong pound

and high interest charges will all be to blame, but the market is confident that the pottery group, with its sound marketing policy will end up with around £5m pre-tax profit against £5.8m last time.

Guardian Royal Exchange, Phoenix and Sun Alliance which are also reporting on Wednesday, should all show profit improvements with GRE making £20m against £14.4m, Phoenix £16m compared with £6.7m and Sun producing £26m against £15.7m at the interim stage.

The mild British winter is one factor behind the improvement although heightened competition overseas, particularly in North America, has not helped. Government intervention to hold down premiums has also been an adverse factor while inflation has pushed up the cost of claims.

For the full year the downturn in most areas, including overseas and commercial business, will continue although second-half profits for United Kingdom personal insurance should improve with a 20 per cent increase in motor premiums and wider profits from index-linked policies for household insurance now coming through.

BP's second quarter results, which analysts expect to be between £300m and £350m, will show a sharp reduction in stock profits and the effect of sterling's rise against the dollar as well as a setback for chemicals. But although North Sea volumes have fallen compared with the first quarter there should be a profits improvement of around £5m there and estimates for the

full year pre-tax profits stand at about £1,000m.

TODAY: Interims—Claverhouse Inv Trst, Electrical and Industrial, I. and J. Hyman, Nova Industries, Scottish Eastern Inv Trst, Finlax, Apex Props, C. T. Asia (Sterling), Fond, Linford Hds, Whitworth Electric Hds.

TOMORROW: Interims—James Beattie, House of Fraser, Macfarlane Group, (Clausen), Provident Financial, Trade Indemnity, Wedgwood, Finals—Diploma, Rowland Gaunt.

WEDNESDAY: Interims—Church and Co, L. J. Dewhurst, Inv Trst, Guardian Royal Exchange, Nu-Swift, Phoenix Assurance, Pritchard Services, Sun Alliance and London Insurance, Weir Grp, R. Woodward and Son, Finals—None announced.

THURSDAY: Interims—Blackwood Hodge, British Petroleum, Cadbury Schweppes, Charterhouse Grp, Cusain Grp, General Mutual, Union Corp, Invergordon Distillers Hds, London and European, Morgan Crucible, Northern Engineering, Sherrin, Warr, Winston Estates, Finals—British Electric Traction, New Central Wireworks, Rand Areas.

FRIDAY: Interims—Abbey, Paine, Investments, Derek Crouch, House Counties Newspapers, House Property Co of London, Mersey Dock and Harbour, A. G. Stanley, Finals—Raybeck.

Rosemary Unsworth

Housebuilders learn the lesson of 1974

Things are not quite as bad for housebuilders as in 1974, but it seems to be only a matter of months before they will be. How long they remain that way will depend on how long the recession endures, for there is nothing like the prospect of job loss or lack of overtime to persuade young couples to postpone buying a home.

According to the latest inquiry carried out by the Department of the Environment, home builders now expect to start only 115,000 private houses this year. In 1974 a beginning was made on only 105,000. At the moment regional plans are planning to start 110,000 private homes next year but prospects are still deteriorating.

A continuing slump in council housing is making things worse. Starts this year probably will not be many more than 30,000 while the first quarter of this year compared with the first quarter of 1979, and they held up reasonably well in the second quarter.

Housebuilding companies also vary about when to make into their accounts the money due to them from home buyers. Some do it when contracts are exchanged. Others wait until the actual completion of a house which can be three or four months later. For a time, too, ambitious home builders houses and pick up market can-changes the price of their share from competitors reading the trading signs differently.

banks are busy thinking up new ways of enticing investors' cash and that minimum lending rate, after a 10 per cent cut to 15 per cent, refuse to come down further. Until it does, housebuilders will stay pessimistic. The outlook for council housing, barring a change in Government policy to local authorities, remains bleak.

It will be months before any of this housebuilders' published profits. Businesses went well for them until November last year when mortgage rates rose to 15 per cent. It was only after that the housing slump began.

Building

Moreover, fewer home building starts tend to mean swifter completions, and house completions have been faster than in the first quarter of this year compared with the first quarter of 1979, and they held up reasonably well in the second quarter.

Housebuilding companies also vary about when to make into their accounts the money due to them from home buyers. Some do it when contracts are exchanged. Others wait until the actual completion of a house which can be three or four months later. For a time, too, ambitious home builders houses and pick up market can-changes the price of their share from competitors reading the trading signs differently.

If, for example, mortgage rates tumble while the economy picks up quickly, bold housebuilders will be rewarded for their courage. Most have, however, remembered the 1974 slump. They began to run down their housing programmes many months ago. Even earlier they stopped buying land.

Many, moreover, are now as big in property development as they are in housebuilding. Today's industry is not just a few glitzy like Laing and Wimpey and at one end, with small housebuilders at the other. It also includes large regional property developers in their own right, such as M. P. Keir around Bristol and Royco along the Thames.

Finally, most housebuilders entered the latest recession with balance sheets lower geared than before. The lesson of 1974 has been learned. The time for housebuilders to worry—and the time can come with disarming suddenness—is when (as now) house for sale signs are up for so long that they seem to be rotting.

Sooner and land people do not want cost money to carry, and banks look at their market value to cover their loans. This means that bankruptcies among companies with big land and housing stocks do not happen in the midst of recession. Only when housing markets up did banks foreclose on Northern Developments the last time around.

No group arouses more interest than Barratt Developments, run by Mr Laurie Barratt whose helicopter always seems to be flying over what is now the largest United Kingdom home builder. Recently, the group's brokers, Cazenove, published an enthusiastic study of Barratt wherein it was suggested that pre-tax profits could have risen from £20.66m to £24m in the year that ended last June.

Now Barratt will only have felt the downturn in the closing months of the year and the group's flamboyantly westward expansion as a huge housebuilding spree to the point of subsidising customers' mortgages. It did this at a time when housebuilding costs went up faster than prices.

If all goes well next year, the Barratt strategy will pay off. Cazenove thinks that Barratt will hold profits or at worst see them drop to £18.75m. They could be right.

But at last week's annual meeting of Redland, the leading building materials producer, shareholders were told by Mr Colin Corness, chairman, that last year's second half year benefited from good weather. This year's first half year would be good but the second half to March 31 would tell a different story. The year's profits would probably be down.

Peter Wainwright

SKF

Interim statement

SKF Group Sales for the first six months of 1980 rose by 18% to 6,502 million Swedish kronor compared with 5,496 million for the same 1979 period. Profits more than doubled to 535 million kronor (237) before exchange differences, extraordinary items, provisions and taxes.

The improved figures stem, on the one hand, from continued high demand for SKF products despite the business turnaround in the USA and signs of weakening markets in Europe. While on the other hand higher capacity utilization and good productivity development have meant that manufacturing costs have risen slower than the rise in sales.

Despite the slowdown in the economic activity, there is no indication that the demand for Group products will undergo any radical change during the rest of the year. The significant income improvements earlier forecast for 1980 should accordingly be achieved.

Comparison tables including the financial year 1979:

Mkr=million Skr	Jan 1st to June 30th 1980		Jan 1st to Dec 31st 1979	
	Mkr	%	Mkr	%
Group net sales	6,502	100.0	5,496	100.0
Other operating income	81		153	
Operating revenue	6,583		5,649	
Cost of goods sold	4,400	67.7	3,826	69.6
Selling, administrative and technical development expenses	1,195	18.4	1,040	18.9
Operating income before depreciation	988	15.2	668	12.2
Scheduled depreciation	250	3.6	257	4.3
Operating income after depreciation	738	11.6	411	7.8
Financial income and expenses-net	-223	3.4	-194	3.5
Income before exchange differences	535	8.2	237	4.3
Earnings per Parent Company share, Skr	15.65		7.05	
Capital expenditure, Mkr	192		170	
Average number of employees	53,065		54,028	
Group sales by product field*	Mkr	%	Mkr	%
Rolling bearings	4,770	68.2	4,110	69.7
Steel	1,140	16.3	910	15.4
Cutting tools	290	4.1	235	4.4
Other products	800	11.4	620	10.5
Total	7,000	100.0	5,875	100.0

*Sales figures include internal deliveries between the product fields.

Analyst foresees oil as big boost to IC Gas profits

The unique attractions of IC Gas as a form of energy-related industrial company with assets enumerated by analyst Mr Barry Aling of stockbrokers Carr Selig.

Mr Aling expects profits of £38.4m for the year to March 31 will rise to £44m this time following a £49m and £59m in 1983. This would take earnings per share up from 47.3p to 68.4p.

The key to the share price lies in the group's oil production interests which, Mr Aling acknowledges, will take at least five years to make their mark on earnings.

Nevertheless, a large part of the current capitalization is seen as being attributable to hopes about its North Sea operations.

But still the net worth of 978p per share represents a sizable margin over the 790p share price at the time of Mr Aling's writing, especially when compared with other large independent oil groups and even though IC Gas is "not strictly an oil company".

So the conclusion is: "IC Gas's defensive qualities and asset potential make it a buy."

"Still attractive" is the view of Mr Ewan Fraser, of James Capel, on the shares of engineering to fuel distribution group, Poswell Duffry. This is in spite of the fact that the shares have outperformed the market by 20 per cent over the past three months.

Mr Fraser points out that fundamental changes in the structure of the group have been concealed behind a profits plateau over the past three years.

The benefits have been concealed by trading losses in former subsidiaries, by closure and rationalization costs and by industrial disputes.

But in the second half of last year the effects began to show through and profits rose by 22 per cent at the trading level to give a pre-tax figure of £15.9m.

Mr Fraser expects pre-tax profits of £18.2m this year taking fully taxed earnings per share up to 25p and 23.5p. He sees the market at 230p rising from 8.2 per cent to 9.6 per cent.

He concludes: "They remain attractive as an investment in a high-growth company with well above average growth potential and excellent dividend-paying capacity."

Capel-Cure Myers have jumped in with a buy recommendation following Carr Selig's second half and CCM expect full-year profits to be 40 per cent down at £15m against £24.7m last time.

In 1981 the brokers expect a modest recovery which, combined with some fall in interest rates, would leave the dividend covered even after allowing for the likely loss in earnings.

The broker says this prospect is not entirely discounted in the share price. A full bid also cannot be ruled out with Centre Hotels currently about to be sold for something like two-thirds of the present capitalization of the whole group.

At a price of 60p the shares seem to have considerable speculative attractions. Resettling, Moss have been visiting Spring Grove Services, the workwear rental group which was brought to market last December via an offer for sale by tender from the Charterhouse Group.

The broker points out that, although the company operates in a growth area, it is not recession-proof because high unemployment tends to reduce its market. However, the service is cost-effective from the customers' point of view that no significant decline in demand is expected.

In addition in the medium-term there is enormous growth in prospect from a market that is treble in the United Kingdom and in Europe which is very under exploited."

Brokers' views

Big losses from Pontins, dull trading, particularly in casinos and hotels and a sharp rise in interest charges were all to blame. The losses have continued into the second half and CCM expect full-year profits to be 40 per cent down at £15m against £24.7m last time.

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Pentland Industries Limited

Interim Results for the six months ended 30th June, 1980 (unaudited)

	Six Months to 30.6.80	Six Months to 30.6.79	Year to 30.6.79
	£'000	£'000	£'000
Turnover	14,024	12,962	25,871
Profit Before Taxation	419	322	1,030
Taxation	95	42	247
Minority Interest	11	4	783
Profit before Extraordinary Items	313	284	778
Extraordinary Items	—	—	8
Amount Available for Distribution	313	284	786
Dividends	26	31	134
Profit Retained	277	253	652
Dividend Per Ordinary Share	0.35p	0.271p	1.271p

The Directors recommend an increase in the Interim Dividend by 29% to 0.35p per 10p Ordinary Share (1979—0.271p per share). The dividend will be paid on 16th October, 1980 to Shareholders on the Register at 15th September, 1980.

The 30% increase in trading profits has been achieved despite the downturn in the general economy throughout the world. This situation makes it difficult for us to predict the effect on this Company for the rest of 1980. However, subject to circumstances outside our control we expect to achieve another year of satisfactory growth.

Pentland Industries is an industrial holding company specialising in international trading, footwear, sports equipment, insurance broking, freight, warehousing and merchandising of all kinds.

Kingmaker House, Station Road, New Barnet EN5 1NQ, 22nd August, 1980.

AMC ANNOUNCEMENT TO BORROWERS

The Agricultural Mortgage Corporation Limited announces that with effect from 1st September, 1980, the rate of interest for

ALL EXISTING VARIABLE RATE LOANS REVIEWED QUARTERLY will be

1.81%

Borrowers whose loans are reviewed on a six-monthly basis will continue to pay 1.81% to pay 1.81%.

Both rates will remain in force until 1st December, 1980, the date of the next review.

Until further notice the rate of interest which will apply to NEW VARIABLE RATE LOANS will be

1.81%

For full details of this and other facilities please contact AMC, Bucklersbury House, 3 Queen Victoria Street, London, EC4N 8DU. Tel: 01-236 5252.

FINANCIAL NEWS AND MARKET REPORTS

Wheat prices could jump to record levels by the year-end

With the northern hemisphere's wheat harvest already under way in some places, and with the bulk following in the next few weeks, it is becoming evident that December wheat futures could reach record levels.

Technical research on the historical pattern of the wheat stocks to consumption ratio at this time of year points to a December delivery price of around \$5 a bushel in current prices. This would be the highest since 1973-74 when the actual cost was \$5.78 for December wheat.

The possibility of high basic food prices this year has been recognized for several months. But the news is still bad for many food importing countries already grappling with declining foreign exchange reserves.

It is a sober reminder to those of us living in richer countries that history is still vulnerable to natural forces.

Any forecast of wheat prices five months away must, of course, be tentative. Moreover, comparisons of prices in current terms should be adjusted to allow for inflation.

But even if one applies a GNP deflator to estimates of December delivery prices, the outlook is gloomy.

An estimated stocks usage ratio of 1.12 (contrasted with 0.67 in the disastrous 1973-74 season) would indicate a deficit price of around \$3 a bushel, the highest since the difficult years from 1973-74 to 1975-76.

This estimate depends heavily on assumptions of crop production. Despite a bad weather which may have improved over the last two vital weeks—the total wheat crop could exceed last year's 419 million tonnes (calculated by David Buchanan, Lambeth, the American commodity brokers) by around 20 million tonnes.

In 1978, a record year, output was 448 million tonnes. Yet the world's population is now 4.4 billion, and wheat is not enough to meet growing demand.

Whatever the actual harvest, it will not be sufficient to prevent a sharp reduction of stocks.

Commodities

On October 1, last year American wheat stocks stood at 2,138 million bushels. By May 31 this year they had fallen to 501 million bushels compared with 1,377 million bushels at the same time two years ago. The run-down has continued.

The stocks figure is important because technical analysts say that the ratio of January 1 to June-December wheat usage has historically proved a reliable indicator of wheat supply and demand.

If this year's usage assumes January 1 stocks of 1,571 million bushels and the June-December "disappearance" to the extent to which the old stocks are diminished, it will be 1,430 million bushels—the ratio for the next marketing year is the previously mentioned figure of 1.12.

Another way of looking at the same problem is the relationship between total usage of American crops and the amount available for free supply. The primary issue here is the amount controlled by the Federal government. In the 1978-80 crop year, for example, January 1 stocks of 1,716 million bushels included 423 million bushels committed to government use—either loans from farmers to the government, government reserves, or that needed for aid programmes.

The resulting free stocks of 1,293 million bushels on January 1 worked out at 96 per cent of usage between June and December 1979.

But for the 1980-81 crop year the estimate of free stocks as a percentage of June-December usage is just 73 per cent, about the same as in 1978-79. Experience suggests that prices will rise to meet the reserve release level, and could reach the reserve call price.

The reserve release price of \$4.20 would become a nearby future price about \$5 a bushel. If the call level were raised to \$5.25, the future price would be around \$6.

The unhappy implication is that prices could go on rising

well into 1981. To some extent the forecast will be a function of the American winter wheat crop and of southern hemisphere—especially Australian and Argentinian—harvests.

If, however, the latter are no worse than last year's combined exports of 15.2 million tonnes from production of 23.8 million tonnes, a possibly optimistic assumption, the demand pressure will be maintained. This is all the more likely since earlier calculations putting Soviet wheat imports in the 1980-81 crop year at 13.5 million tonnes now seem low. Chinese imports could also be more than the 12.5 million tonnes forecast at the beginning of August.

Nevertheless, high though wheat prices may soon be by recent standards, it is an interesting reflection that the same terms have probably fallen behind inflation over a longer period. In 1956, for instance, the August 1 Chicago price for December delivery was \$2.21.

During the 1960s it dipped well below that level on a number of occasions, and in the subsequent decade was less than twice that price in most years.

Depending a little on which base year one takes and how one slices the figures, it does not look as though wheat consumers, poor as many are, have suffered undue inflation in wheat prices.

A number of fingers in the copper market must be feeling less than copper bottomed after the vigorous shake out last week. As the American copper workers' strike dragged on longer than expected, some investors seem to have left themselves unnecessarily exposed to the inevitable fall.

Copper ended the week at \$64.75 for three-months delivery, some \$14 a tonne below the price of a week before. The fall was mainly precipitated by news at the end of the week of firm progress in talks between the workers and Kennecott, traditionally the industry's peace-setter and employer of about 20 per cent of the 40,000 striking workers.

The chances are that this week could see further falls in copper.

Michael Prest

Commodities correspondent

Business appointments

New deputy chairman at Vickers

Mr J. J. Fraser has been appointed a deputy chairman of Vickers. Mr D. A. S. Mastow, formerly a non-executive director, becomes managing director and chief executive. Mr H. P. N. Benson, Mr L. W. Harris and Mr T. Neville have become additional directors of the company.

Mr C. N. Davies, engineering director, Mr Neville the finance director, and Mr Benson will be non-executive directors. Following the merger with Rolls-Royce Motors Holdings, the operations of both companies have been integrated to form five groups: Mr C. N. Davies, engineering; Mr G. E. Fenn, Motor Car Group (chief executive); Mr C. G. Foreman, International Group (chief executive); Mr R. O. Taylor, Howson-Albany Group (chief executive); Mr W. M. Windsor, Engineering Products and Business Equipment Group (chief executive).

Mr W. C. F. Siddle retains his position as director of finance and legal affairs. Mr R. E. Scrope retains his position as company secretary. Mr Harold Sweeney has been appointed to the London board of directors of the Bank of New Zealand.

Mr Cyril Pitts has been appointed chairman of Peter Brothers.

Mr Nick Hodges has been appointed managing director of Vickers Agencies, the newly formed subsidiary of the Sangster Group. Mr Stewart Chambers becomes sales director and Mr Bob Chapman has been appointed operations director.

Mr Ian Welsh has been appointed director and general manager of Vickers Group, a member of the Derwent Group.

Mr George Henderson has been appointed interim managing director of Maclean Group (UK).

Mr Michael King has become a full-time member of the British Airports Authority.

Mr K. J. Lomas has been appointed to the board of the Central Manufacturing & Trading Group. Mr Lomas will be chairman of the group's industrial services division.

Mr D. N. C. Bedford was elected to the board of T. Cowie. Mr Edgar G. Turner, director and deputy chairman, has resigned from the board and has relinquished all other directorships of the group. Mr Turner will continue to work for the group as a consultant.

Mr Derek Hornby has been appointed to the board of Bank Xerox as director of Staff Support. Mr Kenneth G. Salter has become director of organization, personnel and training for Bank Xerox Ltd.

Mr Barrie Heath has become chairman of the board of Hesketh Motors.

Senior management changes have been made at Textile Trade Publications. Mr Gerald Saunders becomes publisher of *Drapers Record*, *Men's Wear*, *British Clothing Manufacturer*, *Fabrics International* and their associate publications. He continues as editor of *Drapers Record*, *Men's Wear*, *British Clothing Manufacturer*, *Fabrics International*, and their associate publications, responsible for production, exhibition, reader, tour, circulation, reader services, accounts department, the design studio, Summary Two Photography, and house services. Mr John Hubbard, advertising manager of *Fabrics International*, is to become publisher of *Pins and Needles*.

Mr Eric Barlow has been appointed director of personnel and industrial relations for the National Grid.

Mr George Home is joining the board of Wagon Finance Corporation as a non-executive director. Mr Martin Richmond has been appointed managing director of Protonair. He succeeds Mr F. Edwin Thirlwell who will become chairman.

Mr John Sheather has been appointed deputy general manager of UK of General Accident Fire and Life Assurance Corporation. He also becomes general manager of its subsidiary the Scottish General Insurance Company.

Mr Fletcher L. Byrom will become an advisory director of Unilever.

Mr B. J. Griffin has been appointed to the board of directors of Hydro-Air International.

Mr David Cranston has been appointed director of finance for the Northumbrian Water Authority. He succeeds Mr Leslie Phillips.

Mr Richard Peter has been elected a director of Joseph Holt. Mr W. B. Murphy has been appointed to the board of Star Overseas Services.

Mr R. F. Fryer has become a general manager of Lloyds Bank. He succeeds Mr F. H. Freeman.

Mr Walter Teller has become group finance executive of the Law & Bonar Group of Dundee. Mr Ian Fraser, group finance director, has resigned from the board and has taken an appointment with Pittsburg National, a merchant bank in Sydney.

Mr Peter N. Collins has become marketing manager for the Scotch Textiles subdivision of the group. Mr J. R. Neville has been appointed assistant director of finance for the British Gas Corporation.

Mr Alan Macpherson has been appointed managing director of Babcock Jenkins, a subsidiary of Babcock Power.

Mr Jack D. Michaels has been appointed senior vice-president and general manager for the United States Gulf at \$12,500 and \$13,000 a day respectively. These rates seem quite competitive as earlier on Coastal States secured a 263,000 tonner for two months storage at \$10,000 a day.

Demand for smaller vessels out of the Gulf has been limited. West African and Indonesian activity was also subdued compared with some recent weeks.

Hopes of better rates arose to the Mediterranean against the background of generally more interest being displayed. However, owners were disappointed as they failed to respond.

Caribbean demand overall continued to be quiet but more

Tanker trade has brighter prospects

The last two weeks have brought some slight improvement to the tanker market as steady fixing of large tonnage has reduced the number of surplus vessels substantially.

In spite of the world's high oil stocks and reduced demand overall, some charterers appear keen to keep on purchasing cargoes against future prospects for prices and supplies.

This, along with tanker taken for storage purposes, has brought a little balance into the market and as a result rates have risen an average to around worldscale 33 for western discharge with an additional two points being paid on eastern trips.

Rates in fact rose higher in the week prior to the Bank Holiday but the last seven days have seen some slippage. Interest in using large tonnage for storage purposes remains as illustrated by Exxon who last week booked vessels of 25,000 and 35,000 tons for 30 days, option 30 days, storage in the United States Gulf at \$12,500 and \$13,000 a day respectively.

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Caribbean demand overall continued to be quiet but more

inquiry was reported for smaller tonnage and as a consequence rates improved a little with levels for 30,000 tons on trips to the United States rising to around worldscale 200.

The upward trend shown by the coal and grain trades in the dry cargo sector of late came in an end around the Bank Holiday.

Freight

In the week prior, keen demand from Japanese charterers sent coal levels up to a peak of \$27.15 with several vessels of 55,000 tons (traded from Hampton Roads at \$27).

However, after the holiday, decline set in. For a November charter \$150 was knocked off whereas September bookings were generally around \$26.

It was a similar case for transatlantic grain movements, whereas \$16.15 was paid on 68,000 tons from the United States Gulf to Holland mid-week before the holiday. By the end of last week a 70,000 tonner could only secure \$14.50 for an identical trip in early September.

Some easing was also being felt in the Great Lakes export on shipments to Europe. This, brokers indicated, was because of reduced European purchases brought about by a better than expected crop.

As to Eastern business, rates on shipments to Japan from the United States North Pacific rose by around \$1 to \$17.50 for 50,000 tons. Chinese were active taking a number of 30,000 ton cargoes from the Gulf at \$9.1.

David Robinson

Issue prices still on downward path

International bond prices continued to fall in desultory trading last week with dollar-dominated issues closing down two points from week-earlier levels in the face of an upward thrust in United States interest levels, writes A. D. Jones.

United States banks lifted their prime rates to 11 1/2 per cent in mid-week and two days later analysts were calling an 11 1/2 per cent prime "only a matter of time".

Under the circumstances, "I would be surprised to see a straight Eurodollar issue on the primary market any time in the near future", one London dealer commented.

Underwriters on the count, considered the concept interesting but the first borrower not very desirable. UBS (Securities) has offered to exchange at par the maturing bonds of the European Investment Bank \$100m, 9 per cent issue of 1975 for \$100m of 12 1/2 per cent seven-year notes. The old bonds mature on September 15.

The conversion fee is 1 per cent and UBS Securities unit has fully underwritten the conversion issue for all subscribers. The fee for the \$100m will pay between 1 per cent and 2 per cent depending on the number of old bonds turned in for the new issue.

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Euromarkets

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Worldwide activity at BNP

Extracts from the 1979 Annual Report of BANQUE NATIONALE DE PARIS and the Statement by the Chairman, M. Jacques Calvet.

International Development

Despite difficult world conditions throughout 1979 and in early 1980, business activity continued to increase at a fairly rapid rate and the volume of international trade again rose.

The world is nevertheless facing two major dangers after the latest rises in the cost of oil: inflation is affecting even the stronger economies, causing widespread monetary instability and, at the same time, non-oil producing countries in the Third World, already heavily in debt, are seriously affected by a worsening balance of payments.

Central authorities in the various countries have been obliged to cut investment programmes and public spending, to raise interest rates to ever-higher levels and strengthen credit controls.

Fortunately, many countries have adapted their economies to changing world conditions and the major banks have been able to fulfil their role in financing investments which are vital for the future, in particular in the energy field. They have also taken part in the recycling of funds by accepting the risk of lending to countries and organisations already heavily in debt; in 1980 banks will need more extensive support and assistance in this respect from the international financial organisations.

At the same time bankers have attempted to make their position in economic life more readily understood, to provide better information for their clients—especially small and medium-sized companies and private customers—and generally to improve their relationship with all those using their services.

In 1979 BANQUE NATIONALE DE PARIS continued to pursue with success the policies laid down in previous years which is reflected in the increase in both activity and profits.

The measures necessary for the implementation of our policies at the development of business both in France and throughout the world, the improvement of productivity, the decentralisation of management and a renewed effort to strengthen co-operation between all sectors of the bank.

From this firm base we can look forward with confidence.

BNP openings in 1979/80

- Branches:
- Germany, Federal Republic (Hamburg)
 - Grand Cayman (Georgetown)
 - Italy (Milan)
 - Japan (Osaka)
 - Jersey (Saint Helier)
 - Netherlands (Rotterdam)
 - Spain (Madrid)

Representative Offices:

- Colombia (Bogotá)
- Germany, Democratic Republic (Berlin)
- Jordan (Amman)
- Macau
- Nigeria (Lagos)
- UAE (Abu Dhabi)
- Yugoslavia (Belgrade)

Subsidiary:

- USA (San Francisco)
- BANK OF THE WEST becomes a member of the BNP Group

Other openings due in 1980

- Branches:
- Argentina (Buenos Aires)
 - UK (Manchester, BNP Ltd)

Representative Office:

- Rumania (Bucharest)

Consolidated Figures of the BNP Group for 1979

	1978 Million FF	1979 Million FF	1979 Million US\$*	Percentage Increase
Consolidated balance sheet total	325,625	397,414	98,859	22%
Total deposits	320,155	391,480	97,383	22.3%
Net consolidated profit	528	584	145	11%

* Calculated as at 31.12.1979 at FF 4.02 = US\$1

Banque Nationale de Paris

Head Office, 16, Boulevard des Capucines, Paris 75009, Tel: 244-45-46 Tlx: 280 605-2000 branches in France

U.K. Subsidiary

Banque Nationale de Paris Limited

8-13 King William Street, London EC4P 4HS. Tel: 01-626 5678 Tlx: 883412

Bank Base Rates

ABN Bank	16%
Barclays	16%
BCCI	16%
Consolidated Crdts	16%
C. Hoare & Co	*16%
Lloyds Bank	16%
London Mercantile	17%
Midland Bank	16%
Nat Westminster	16%
Rossminster	16%
TSB	16%
Williams and Glyn's	16%
* 7 day deposit on sums of	

FT Index change on week 483.9—15.0 (3.0%)

The Times Classified Columns.

It's like no other store in the world.
Henri Bendel. Fashion and fashions for living. 10 West 57th Street.
Macy's New York. The world's largest store of stores at Herald Square.
212 611 5000. If you haven't seen Macy's you haven't seen New York.

CLASSIFIED ADVERTISING STARTS HERE

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BUSINESS TO BUSINESS	.. 30
COMMERCIAL PROPERTIES	.. 30
AND SERVICES TO THE	.. 30
DOMESTIC SITUATIONS	.. 30
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MOTOR CARS	.. 30
PROPERTIES	.. 30
PUBLIC AND EDUCATIONAL	.. 28, 30
APPOINTMENTS	.. 30
SITUATIONS WANTED	.. 30
WANTED	.. 30

See separate section for details of the above categories, and for the full range of services available.

Place an advertisement in any of these categories, for:

PRIVATE ADVERTISERS ONLY

APPOINTMENTS
01-573311

PROPERTY ESTATE AGENTS
01-278923

PERSONAL TRADE
01-278923

MANCHESTER OFFICE
061-8341234

Quoted in connection with advertisements that have appeared, or that are intended to appear, in any of these categories, for:

THE DEADLINE FOR ALL COPY IS ONE CLEAR PUBLISHING DAY

i.e. Monday is the deadline for Wednesday, Friday for Saturday, and so on. All copy must be received by the deadline, and must be accompanied by a cheque for the full amount of the advertisement, payable to the order of the Times Newspapers Limited, copies of which are available on request.

CLASSIFIED RATES
53.00 per line—£15.00 per cm semi display—£15.00 per full display

APPOINTMENTS
53.00 per line—£15.00 per cm semi display—£15.00 per full display

PROPERTY
53.00 per line—£15.00 per cm semi display—£15.00 per full display

WEEKEND SHOPAROUND
£12.00 per cm full display

COURT CIRCULAR
£4.00 per line

BOX NUMBERS
£2.25

LET this be the last night of the year, and let all the ways be made straight. —Proverbs 2, 15.

BIRTHS

BARLOW—On August 21st, in the home of Mr. and Mrs. J. Barlow, a son, James, to the wife, Mrs. J. Barlow.

BOOTH—On August 21st, in the home of Mr. and Mrs. J. Booth, a son, James, to the wife, Mrs. J. Booth.

DAVIES—On August 21st, in the home of Mr. and Mrs. J. Davies, a son, James, to the wife, Mrs. J. Davies.

GROVE-WHITE—On August 21st, in the home of Mr. and Mrs. J. Grove-White, a son, James, to the wife, Mrs. J. Grove-White.

HUGHES—On August 21st, in the home of Mr. and Mrs. J. Hughes, a son, James, to the wife, Mrs. J. Hughes.

HOOD—On August 21st, in the home of Mr. and Mrs. J. Hood, a son, James, to the wife, Mrs. J. Hood.

JOHNSTON—On August 21st, in the home of Mr. and Mrs. J. Johnston, a son, James, to the wife, Mrs. J. Johnston.

KING—On August 21st, in the home of Mr. and Mrs. J. King, a son, James, to the wife, Mrs. J. King.

LEWIS—On August 21st, in the home of Mr. and Mrs. J. Lewis, a son, James, to the wife, Mrs. J. Lewis.

MILLER—On August 21st, in the home of Mr. and Mrs. J. Miller, a son, James, to the wife, Mrs. J. Miller.

NEAL—On August 21st, in the home of Mr. and Mrs. J. Neal, a son, James, to the wife, Mrs. J. Neal.

OLIVER—On August 21st, in the home of Mr. and Mrs. J. Oliver, a son, James, to the wife, Mrs. J. Oliver.

PARSONS—On August 21st, in the home of Mr. and Mrs. J. Parsons, a son, James, to the wife, Mrs. J. Parsons.

ROBERTS—On August 21st, in the home of Mr. and Mrs. J. Roberts, a son, James, to the wife, Mrs. J. Roberts.

SMITH—On August 21st, in the home of Mr. and Mrs. J. Smith, a son, James, to the wife, Mrs. J. Smith.

TAYLOR—On August 21st, in the home of Mr. and Mrs. J. Taylor, a son, James, to the wife, Mrs. J. Taylor.

WALKER—On August 21st, in the home of Mr. and Mrs. J. Walker, a son, James, to the wife, Mrs. J. Walker.

YOUNG—On August 21st, in the home of Mr. and Mrs. J. Young, a son, James, to the wife, Mrs. J. Young.

ZIMMERMAN—On August 21st, in the home of Mr. and Mrs. J. Zimmerman, a son, James, to the wife, Mrs. J. Zimmerman.

ADDITIONAL BIRTHS

1 Munger and Rumpel-teater—such jokers! (9).

2 Runs an account (5).

3 He records taking a girl to 19 (4).

4 Supporters charge before their leader (4).

5 Unable to endure toll, Tanner is replaced (10).

6 Brooks' "unpopular star" is a shipper (6).

7 But he wouldn't quarrel with a flamboyant (4-5).

8 Fruit trees (5).

9 Subsequently entering local building side by side (10).

10 In present at (festival) (5).

11 Stupid to compile such a crossword (6).

12 King's supporter was quarrel (10).

13 Squared set out with leader (4).

14 Ship's inclination to roll (4).

15 Not the poetry we learnt in the nursery (9).

16 Trifling irritant makes us run about a bit (4-4).

17 Mark and Jack found the room (6).

18 Some of these bookies' backers get fat (5).

19 Gave respite to characters upset in deep river (9).

20 Figure is about a pound for the drug (9).

21 Old physician's odd angle (5).

22 Solution of Puzzle No 15,389

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27 Solution of Puzzle No 15,389

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